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(54) Title: METHOD AND APPARATUS FOR MANAGING CREDIT INQUIRIES WITHIN ACCOUNT RECEIVABLES

(57) Abstract:

METHOD AND APPARATUS FOR MANAGING CREDIT INQUIRIES WITHIN ACCOUNT RECEIVABLES

BACKGROUND OF THE INVENTION

This invention relates generally to a web-enabled Accounts Receivable System (ARS) and more particularly to methods and apparatus for managing various functions related to accounts receivables, credit granting, collection, dispute management and reporting and remittance processing.

The accounting department of a business entity expends substantial resources managing account receivables. An accounts receivable function includes the tasks of credit inquiries, approving credit to new and existing customers, and analyzing payment history of existing customers. In addition to credit approvals, aging of the receivables, disputes and delinquencies, collections and proper application of the payments, and determining appropriate write-offs and appropriate reporting capabilities, also must be managed. These tasks are time-consuming and often take away resources of the corporation from its operations and other profitable activities. Completing several of these tasks also typically requires interfacing with outside agencies for credit approval and constant updates to the customer records.

BRIEF SUMMARY OF THE INVENTION

In an exemplary embodiment of the invention, a web-enabled Accounts Receivable System (ARS) provides a full range of trade receivables Credit & Collection services including credit evaluation, credit granting, customer collection and account reconciliation, remittance processing, application and banking, all account receivables (A/R) reporting, consolidation, including customer statement preparation and mailing, ending with direct feeds to a client's general ledger system (G/L) for the client's financial statement preparation. The system serves clients by allowing them to outsource their full accounts receivable (A/R) function while still

retaining the important computer-to-computer links covering order shipping approvals (after credit evaluation), billing/invoice feeds, customer dispute monitoring and reporting (on-line), and final month-end G/L interface for receivables balancing.

The system includes five modules which include a Credit Inquiry Module, a Remittance Processing Module, an Accounts Receivable Claim Module, a Maintenance Module, and an Administration Module. These modules are integrated with each other and are capable of interfacing with a client's Order, Ship, Bill (OSB) system for smooth functioning. The ARS is further capable of automatically upgrading the software and systems templates to the client by downloading on a real-time basis as they are being implemented at a central site and as called for by a user.

In one embodiment of the invention, the ARS's Credit Inquiry Module reviews payment history and performs credit inquiries. Credit Inquiry is the ability to go into a customer account and view a very rich and diverse supply of data used for customer analysis, credit management, and customer contact. The Credit Inquiry Module based on customer payment data predicts overall cash forecasting for the client. The Credit Inquiry Module is utilized for account reconciliation and audit verification for tracking transactions at the customer level.

BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 is a block diagram of an Accounts Receivable System including a server system and a plurality of devices;

Figure 2 is a block diagram of an alternative embodiment of an Accounts Receivable System;

Figure 3 is further another embodiment of an Accounts Receivable System;

Figure 4 is an exemplary embodiment of a software architecture for the Accounts Receivable System shown in Figure 3;

Figure 5 is a database structure within a database server of the Accounts Receivable System shown in Figure 3;

Figure 6 depicts the functions of an Order, Ship, Bill (OSB) System and an Accounts Receivable System with reference to a business process;

Figure 7 depicts the functional relationship of the Accounts Receivable System integrated directly into a client's OSB system and general ledger (G/L) system;

Figure 8 is an exemplary screen layout of the Accounts Receivable System shown in Figure 3;

Figure 9 is an activity diagram for performing a credit check through a Credit Inquiry Module of the ARS shown in Figure 3;

Figure 10 is an activity diagram of the ARS shown in Figure 3, for the invoice generation;

Figure 11 is an activity diagram of the ARS shown in Figure 3, for remittance processing;

Figure 12 is an exemplary embodiment of a screen layout of the ARS shown in Figure 3, which displays a payment application to a customer account;

Figure 13 is an exemplary embodiment of a screen layout of the ARS shown in Figure 3, which displays the creation of a parent heirarchy record or payor heirarchy record for the subsidiary customer;

Figure 14 is an exemplary embodiment of a screen layout of the ARS shown in Figure 3, which displays the manner in which payment that has been applied by Accounts Receivable System may be subsequently reversed;

Figure 15 is an exemplary embodiment of a screen layout of the ARS shown in Figure 3, which displays the reversal of a zero application and all other records;

Figure 16 is an activity diagram of the ARS shown in Figure 3, for the collection process;

Figure 17 is an exemplary screen layout of the Accounts Receivable System shown in Figure 3, which displays customer interchange credit;

Figure 18 is an exemplary screen layout of the ARS shown in Figure 3, which displays customer information sorted by customer number;

Figure 19 is an exemplary screen layout of the ARS shown in Figure 3, which displays the detail aging of a given customer along with scratch pad notes;

Figure 20 is an exemplary screen layout of the ARS shown in Figure 3, which displays the payment history of a given customer;

Figure 21 is an activity diagram of the Accounts Receivable claim (ARC) procedure of the ARS shown in Figure 3;

Figure 22 is an exemplary screen layout of the ARS shown in Figure 3, which displays the root cause analysis summarizing outstanding Accounts Receivable Claims; and

Figure 23 is a process flow chart for the ARS shown in Figure 3.

DETAILED DESCRIPTION OF THE INVENTION

Exemplary embodiments of systems and processes that facilitate integrated Internet-based accounts receivables process management are described below in detail. The systems and processes facilitate, for example, electronic submission of information using a client system, automated transmission of information, and web-enabled monitoring and reporting and management of account

receivables including a final month end general ledger interface for receivable balancing for client's users.

The systems and processes are not limited to the specific embodiments described herein. In addition, components of each system and each process can be practiced independent and separate from other components and processes described herein. Each component and process can be used in combination with other components and processes.

Figure 1 is a simplified block diagram of an Accounts Receivable System (ARS) 10 including a server system 12 and a plurality of devices 14 connected to server system 12. In one embodiment, devices 14 are computers including a web browser, and server system 12 is accessible to devices 14 via the Internet. Devices 14 are interconnected to the Internet through many interfaces including a network, such as a local area network (LAN) or a wide area network (WAN), dial-in-connections, cable modems and special high-speed ISDN lines. Devices 14 could be any device capable of interconnecting to the Internet including a web-enabled phone or other web-enabled connectable equipment. Device 14 is capable of connecting directly to Order, Ship, Bill (OSB) System 20 located at the client site. Server system 12 is also capable of communicating with OSB system 20 either through a direct link or through one of devices 14 located at the client site and upload and download the data as required. Accounts Receivable System 10 is installed at a business entity site within a firewall 22 while OSB system 20 is located at client site outside firewall 22 of the business entity. Both systems are configured to download and upload required data through a secure connection for performing the required functions.

Figure 2 is a block diagram of an alternative exemplary embodiment of a server architecture of Accounts Receivable System (ARS) 30. Components in system 30 identical to components of system 10 are identified in Figure 2 using the same reference numerals as used in Figure 1. System 30 includes a server system 12 and devices 14. Server system 12 includes a database server 36 including a data

storage device 38, an application server 40, a web server 42, a directory server 46, a fax server 52 and a mail server 56. A disk storage unit 38 is coupled to database server 36 and director server 46. Servers 36, 40, 42, 46, 50, 52, and 56 are coupled in a local area network (LAN) 60. In addition, device 14 includes a system administrator work station 64, a customer service representative work station 66, a credit officer's work station 70, and a general function work station 72. Work station 72 is utilized by someone having an authorized access to maintain and update ARS 30. Work stations 64, 66, 70, and 72 are connected to LAN 60. Alternatively, workstations 64, 66, 70, and 72 are coupled to LAN 60 via an Internet link or connected through an Intranet.

Each work station 64, 66, 70 and 72, in the exemplary embodiment, is a personal computer including a web browser. Work stations 64, 66, 70 and 72, are illustrated as being associated with separate functions only to facilitate an understanding of the different types of functions that can be performed by individuals having access to LAN 60.

In an alternate embodiment, server system 12 is configured to be communicatively coupled to third parties, e.g., internal or external auditors 78, and to various clients 80 located outside firewall 22, via an Internet Service Provider (ISP) Internet connection 84. The communication in the exemplary embodiment is illustrated as being performed via the Internet, however, any other wide area network (WAN) 86 type communication can be utilized, i.e., the systems and processes are not limited to being practiced via the Internet. In addition, and rather than a WAN, a local area network could be used in place of the WAN.

Each outside client 80 is connected to their own OSB system 20. Outside client 80 also has a work station 88, which is a personal computer including a web browser. Also, Work stations 88 are configured to communicate with server system 12. Furthermore, fax server 52 communicates with outside clients 80 and any of the remotely located overseas clients including a device (not shown) via a telephone link. Fax server 52 communicates with other devices 64, 66, 70 and 72, as

well. Accounts Receivable System 30 is installed at a business entity site while OSB system 20 is located at the client site. Both systems 20, 30 are configured to download and upload required data through a secure connection, from each other, for performing the required functions. Continuous enhancements ensure compatibility to use new technology as it becomes available which ultimately reduce cost and improve efficiency.

Figure 3 illustrates an alternative exemplary embodiment of an Accounts Receivable System (ARS) 90. Components in system 90 identical to components of system 30 are identified in Figure 3 showing the same reference numerals used in Figure 2. In this embodiment, device 14 is a desktop (thin device or often referred as thin client). Thin devices, as used herein, are Intel compatible PCs with Pentium or higher processors and a minimum 36 MB RAM running Windows 95 or Windows NT 4.0 workstation and Internet Explorer 4.0 and above. Server system 12 includes an application server 40 with a Pentium processor and a minimum 64 MB RAM running Windows NT 4.0 server and an Internet Information Server 92. The Business logic will reside in this layer in the form of Dynamic Link Libraries (DLL). An Oracle 7.3.2 database 94 on UNIX is used as a Database server 36, which is part of server system 12. Database server 36 is a server including a Pentium processor and a minimum 64 MB RAM running Sun Solaris. The database layer resides within database server 36. Centralized database 94 containing a variety of information relating to clients and their customers, as described below in greater detail, is stored on database server 36 of server system 12 and can be accessed by potential users at one of devices 14 by logging onto server system 12 through one of devices 14. Stored procedures are used to access database 94. All database interactions are done through Active X DLL's. Devices 14 are internally connected to OSB System 20 located at the client site. Server system 12 communicates with OSB system 20 either through a direct link or through one of the devices 14 located at the client site to upload and download the data as required.

Figure 4 is an exemplary embodiment of the software architecture 98 of ARS 30 as well as ARS 90, database server 36 and application server 40 of Server

system 12. The Software Architecture used in ARS system 30 has a Web Browser such as IE 4.0 and above as the front end. The Web Browser downloads the ActiveX controls developed in VB5.0, which forms the User Interface.

Middleware in ARS 30 implements the business rules and database calls and resides on the NT application server. The middleware is in the form of ActiveX objects (DLLs). Middleware is a software that connects two otherwise separate applications. For example, there are a number of middleware products that link a database system to a Web server. This allows users to request data from the database using forms displayed on a Web browser, and it enables the Web server to return dynamic Web pages based on the user's requests and profile. Middleware retrieves data from Oracle database 94 residing on the UNIX server. IIS is used as the WebServer. Active Database Objects (ADO) are used for database access. Oracle 7.3.2 database 94 resides on the UNIX Server.

Security in ARS 30 is closely monitored because of confidential and proprietary client information. Security is maintained in the system by providing various authority access levels. These access levels exist for individuals with different authorities such as Headquarter authority, supervisor authority, credit evaluator authority, Collector authority and remittance processing authority. When the user logs onto the application, the user's authority is checked, and depending upon the user's authority the user is given access to select screens.

Apart from the above security, ARS 30 also maintains regular security that is normally involved in every Intranet application. In every Active Server page ARS 30 checks whether the user has logged in and if the user has logged in then system 30 also checks whether the user has come for the right Active Server Page from which the user is supposed to access. If none of the above criteria is satisfied then system 30 displays an error message "Invalid Access to Screen". Also there is a session variable that checks if the logged on user is idle for more than a predetermined period of time and if so the user is automatically logged out of the application.

Figure 5 is database 94 structure within database server 36. Database 94 is coupled to several separate components within server system 12, which perform specific tasks. ARS 30 manages full range of trade receivables credit and collection services involving credit evaluation credit granting, customer collection and account reconciliation, remittance receipt, application processing, banking, receivables consolidation, and updating OSB general ledger. ARS 30 receives the pertinent information from client's OSB system 20 for processing and generating required journal entries with a variety of reports for financial monitoring, reporting and auditing purposes. The information retrieved and processed is stored in centralized database 94 for permanent as well as temporary access.

For example, server system 12 is divided into separate components such as, a download component 100 for downloading journal entries and a variety of reports, a display component 102 for displaying the journal entries and the variety of reports, a transmit component 108 for transmitting required information to the OSB system, and a printing component 112 for printing journal entries and the variety of reports downloaded and displayed by the respective server components. The system accepts commands from device 14, e.g., by utilizing a peripheral to make a selection or by utilizing a voice command. Server system 12 includes a processing component 116 for searching and processing received requests against data storage device 38. Furthermore, server system 12 also includes a retrieving component 120 to retrieve information from data storage device 38. An information fulfillment component 122 downloads the requested information after retrieving from data storage device 38 to the plurality of devices.

The architectures of systems 10 as well as various components of system 10 are exemplary only. Other architectures are possible and can be utilized in connection with practicing the processes described below.

Figures 6 through 23 illustrate the operational flow of ARS 10 including the interrelationship among various ARS 10 modules and the interface between ARS 10 and OSB 20.

Figure 6 depicts the functions of OSB System 20 and ARS 10, with reference to a business process 160. OSB System 20 includes an Order Entry function 164, a Shipping function 170 and a Billing function 174. ARS 10 includes the remaining functions involved with accounts receivables of business process 160 including managing customer credits, receiving and processing payments against open invoices, balancing general ledger on a periodic basis, financial statement data generation for accounting and internal controls and preparing periodic reports to meet generally accepted accounting principles (GAAP) and Financial Accounting Standards Board (FASB) requirements. Clients 80 from their individual locations operate OSB system 20 and a General Ledger (G/L) system 180. ARS 10 is operated at a remote location by a business entity, which has a group of professionals specializing in ARS 10. In an alternative embodiment, ARS 10 is operated and managed at the clients' locations by the clients' own staff with training and system enhancements being performed by ARS 10 staff.

Figure 7 shows how ARS 10 interfaces with a client OSB system 20 and general ledger (G/L) module 180 to provide continuity to the client. ARS 10 receives the data from, and transmits the data to, the different components of OSB system 20 such as Order Entry 164, Shipping 170, and Billing 174. Order Entry 164 processes the customer order by extracting data from Pricing component 176 and Inventory component 178. ARS 10 also interacts with various other components 182 of client system as required. The integrity of OSB system 20 is critical for proper functioning of ARS 10 since ARS 10 uses the data received from OSB 20 to generate the general ledger entries as well as other management reports. ARS 10 manages several other aspects of business process 160 to properly populate the general ledger with pertinent receivable data on a periodic basis including processes involved with credit management.

Figure 8 is an exemplary screen layout of ARS 10. ARS 10 involves credit granting, collection, remittance processing, and reporting/administration. ARS functions are organized into five modules: a Credit Inquiry Module 190, a remittance processing Module 194, an Accounts Receivable Claim (ARC) Module 200, a

Maintenance Module 204 and an Administration Module 210. Remittance Processing Module 194 is sometimes referred to as a Cash Application Module. Credit Inquiry Module 190 provides to the user extensive customer and receivable related information in a variety of ways. Remittance Processing Module 194 involves processing of remittance payments, delinquency management and payment-related functions. ARC Module 200 manages customer disputes. Maintenance Module 204 is used to maintain and store various types of customer information. Administration Module 210 is used to handle security and high-level systems functions.

There is a high level of integration across all the modules. Although a user may enter a function attached to a particular module in ARS 10, subsequent navigation takes the user back and forth across the different modules in ARS 10. For example, a user applying a check in Remittance Processing Module 194 accesses Credit Inquiry Module 190 to conduct a customer search or to display invoice details. A user viewing a customer statement accesses Maintenance Module 204 to modify customer information, or Remittance Processing Module 194 to offset debit and credits together under the account, or ARC Module 200 to set up or display a dispute. A user searching for an invoice in Credit Inquiry Module 190 or setting up a reference between two invoices in Maintenance Module 204 accesses Remittance Processing Module 194 to display a list of duplicate invoices. Similarly, a user reviewing billing batches in Administration Module 210 accesses Credit Inquiry Module 190 to display invoice details.

Overall, ARS 10 provides a full range of credit and collection services for trade receivables including credit evaluation, credit granting, customer collection and account reconciliation, payment receipt, application and banking, account receivables (A/R) reporting, consolidation, including customer statement preparation and mailing, ending with direct feeds to the client's general ledger (G/L) system 180 for financial statement preparation. ARS 10 can produce journal entries to update G/L system 180 by using pseudo account numbers internally which are mapped and transferred to client's G/L system 180 via a file transfer protocol (FTP). ARS 10 provides an option to clients 80 to outsource their full A/R function while still

retaining the important computer-to-computer links with OSB system 20 covering order shipping approvals (after credit valuation), billing/invoice feeds, customer dispute monitoring and reporting (on-line), and final month-end G/L interface for receivables balancing. Each module of ARS 10 is described in detail.

A. CREDIT INQUIRY MODULE

Credit Inquiry Module 190 primarily involves credit evaluation at the time the customer account is set up, and credit maintenance activities. Credit Inquiry Module 190 also interfaces with various modules to access delinquencies, collections and write-offs.

Credit Inquiry Module 190 reviews pay history and performs credit inquiries. Pay history is a set of calculations based on a payment period from invoice date to date of payment received. ARS 10 sorts all data and compiles it into a report that compares the data over an eighteen-month period and displays it in six-month increments. Credit Inquiry Module 190 accesses a customer account and views a diverse supply of data used for customer analysis, credit management, and customer contact. Credit Inquiry Module 190 further includes search options.

Credit Inquiry Module 190 predicts remittance forecasts for a specific customer or account based on historic data. ARS 10 predicts overall cash forecasting for the client. Credit Inquiry Module 190 further performs audit verification for tracking all transactions at the customer level for account reconciliation.

1. CREDIT APPLICATION PROCESS [NEW CUSTOMER]

The client works with the business entity to establish approval criteria on new customer accounts and to choose client specific credit scoring options using scoring software programs contained in ARS 10.

Figure 9 is an activity diagram for performing a credit check for an existing customer through Credit Inquiry Module 190 on a customer who has placed a

purchase order through OSB system 20. Once the customer places a purchase order, ARS 10 receives a request for approval 220 on a new account. ARS 10 procedures routes request for approval 220 to a designated credit officer 224 out of a plurality of credit officers 230. Credit officers 230 are also sometimes referred to as collectors or collection representatives. Designated credit officer 224 performs an initial credit investigation 234 on request for approval 220 of the new account. Designated credit officer 224 automatically approves request for approval 220 if the order aggregates less than an amount specified by the client or if the order is from a specified known customer pre-designated by the client. If request for approval 220 is not automatically approved 240, designated credit officer 224 performs a detailed credit investigation 244.

Credit investigation 244 does not have a specified application; rather it involves a variety of tools such as Dun & Bradstreet reports 250 and/or other credit reporting agencies 254, trade references 260, bank reports 264, financial statements 270, customer visits 274, and survey of Mines and Industrials 280. ARS 10 electronically interfaces with Dun & Bradstreet or other credit reporting agencies for searching and identifying a customer by name, address and telephone number and obtaining Dun & Bradstreet reports 250 or other credit reporting agencies reports 254, thereby minimizing the time in the credit approval process.

Based on credit investigation 244, designated credit officer 224 determines whether credit should be granted to the customer. Each designated credit officer 224 has limits to the credit authority, which are resident and strictly controlled within ARS 10. Designated credit officer 224 cannot grant a credit line in excess of their delegated authority limits. ARS 10 restricts access for changing the credit limits of credit officers 230 only to specified authorized individuals within the business entity.

If the customer meets the pre-determined parameters of credit investigation 244 and if the credit is within the limits authorized to designated credit officer 224, designated credit officer 224 approves the new account request. If the

customer does not meet the pre-determined parameters of credit investigation 244 or if the credit requested by the customer exceeds the authorized limits of designated credit officer 224, then ARS 10 personnel attempts to obtain security 290 such as personal guarantees 294, inter-corporate guarantees 300, PPSA 304 or conditional sales agreements 310. For approval of various orders, a letter of credit 314 may be sought.

Once designated credit officer 224 makes a decision 324 to approve the order, ARS 10 assigns an approval number in the case of an existing account or an account number 326 in the case of a new customer account to the order and interfaces with OSB system 20 which performs Order Entry function 164, Shipping function 170, and Billing function 174. An interface 330 completes the credit approval process.

2. CUSTOMER ORDER APPROVAL-[EXISTING CUSTOMER]

Figure 10 is an activity diagram which depicts the process for customer order approval and invoice generation 412 as well as credit approval and posting of general ledger entries on G/L system 180. Activities are located in respective columns based on the system that performs the activity. The columns correspond to OSB system 20, G/L (General Ledger) System 180 and ARS 10.

OSB system 20 enters/ receives a customer order approval request 414. OSB system 20 makes 416 a decision to automatically approve customer order 414 if the amount of order 414 is less than or equal to the Order Control Limit (OCL) 422. OCL 422 is initially established when the account is set up in ARS 10. After the initial set up, there are three ways in which the OCL 422 can be adjusted. Designated credit officer 224 can change the limit, or can place a Hold Order or a Credit Referral on the account. If a Hold Order or Credit Referral is placed on the account, OCL 422 is automatically reduced to zero. These changes to OCL 422 are fed to the client's OSB system 20 in a pre-determined cycle.

If the amount of approval request 414 exceeds 424 the OCL, approval request 414 is deferred and designated credit officer 224 is informed of the deferral through ARS 10. Designated credit officer 224 then makes 428 a decision to approve, decline or hold the approval request 414. Since the information is fed back and forth between OSB system 20 and ARS 10 in pre-determined cycles, the time lag for a decision is short with the vast majority being automatically and instantly approved within the client's OSB 20 based on ARS 10 pre-approvals. Once approved, OSB system 20 ships product 430 and generates a final invoice 432. The client's OSB system 20 manages pricing and stores this information together with customer discounting structures, etc., within OSB system 20 and subsequently generates a customer invoice (hard copy or electronic) for its customer. OSB system 20 also creates a batch file 436 and dispatches said batch file 436 to ARS 10 the same evening.

Batch file 436 includes basic information 440 pertaining to invoice 432. Information 440 received electronically to ARS 10 includes information such as a date of invoice 442, a due date of invoice 444, a currency of invoice 446, an amount of invoice 448, a customer number 450, a billing identification recognition code (IC) 452, an invoice number 454, other payment terms 456 and a customer purchase order number 458, if available.

ARS 10 then uses batch file 436 to update the customer's statement 460 for collection and monitoring purposes. ARS 10 also posts a journal entry 462 for balancing of the client's G/L system 180 at the month end. ARS 10 finally produces an "assessed receivable" total 464, which provides the client with the G/L interface numbers to balance its financial statement and outstanding receivables. As part of this function, ARS 10 produces aged trial balances, dispute reports, trending reports, and any other reports for use by the client in substantiating assessed receivable total 464.

B. REMITTANCE PROCESSING MODULE

Remittance Processing Module 194 involves application of remittance payments, aging the receivables. Remittance Processing Module 194 has several capabilities including accepting funds in any foreign currency and translating the funds into the required local currency for reporting purposes. In one embodiment, the reporting is conducted in local currency. In an alternative embodiment, the reporting is conducted in foreign currency. Exchange gain and loss calculations are automatically generated by Remittance Processing Module 194 of ARS 10. Remittance Processing Module 194, under certain conditions, automatically applies and updates a customer's account through a series of algorithms. Appropriate individuals, as designated, based on systems' security levels, have the authority to ZAP a particular account. ZAP is a derivative of remittance processing which allows for offsetting of items within a customer's account. In these situations, updating of balance is performed automatically online.

Remittance Processing Module 194 displays the accounts and applies the received cash by Payor Hierarchy. Payor Hierarchy allows the user to access multiple accounts through one or more designated main accounts. Remittance Processing Module 194 also allows Auto Draft and Reverse Application functions in conjunction with Maintenance Module 204. Auto Draft selects specific invoices in a customer's account to be paid, which are formatted into an electronic bank file for funds transfer. Through Reverse Application, ARS 10 reverses previously completed applications and associated general ledger entries on G/L system 180, and restores the account to the original balance on-line.

The following steps explain the operational and the functional flow involved in managing Remittance Processing Module 194.

1. PAYMENT RECEIPTS AND APPLICATION

Figure 11 is an activity diagram for remittance processing. In most cases, the customer remits to the business entity the payment 470 on invoices through

checks, wire transfers, electronic deposits, credit cards or drafts. ARS 10 receives the payments 474 and deposits them 480 in client's bank account.

Remittance Processing Module 194 of ARS 10 generally applies payments 474 to the invoice(s) 440 to which the customer wishes the payment to be applied. If remittance instructions are not received by ARS 10, the cash received is treated as On Account Unapplied Cash. ARS 10 automatically sends a letter to customers who have On Account Unapplied Cash. The letter asks for instructions on how to apply the cash (and may result in a call to the customer for information). The On Account Unapplied Cash moves with the aging buckets but does not reduce the delinquency amounts until it is applied, unless specifically cross referenced by designated credit officer 224 to a particular aging bucket. The cross-references done by designated credit officer 224 reduce the balance of the aging buckets that the On Account Unapplied Cash amounts are cross-referenced to in ARS 10. ARS 10 maintains an audit trail of all cross-references made by designated credit officer 224.

ARS 10 accepts payments 474 in multi-currency 484 and accounts for exchange gains or losses in the balancing process. ARS 10 also offers on-line remittance processing 490 so that concurrently with the application of the checks against the invoices, these invoices are shown as paid and the customer balance is updated in an on-line format. Remittance processing 490 allows for multi-account connectivity as depicted in Figure 14 herein. During remittance processing 490, ARS 10 identifies any cash variances, exchange losses, discounts and concessions that are allowed. ARS 10 then automatically balances payment 474 by writing the journal entry so that the appropriate cash variance, exchange variance, discount or concession journal entry is included in the receivable totals balancing 494. Remittance Processing Module 194 is balanced 494 in batch mode overnight and the appropriate journal entries are generated to update the receivable numbers in the client's G/L system 180.

ARS 10 produces numerous reports and on-line screens which remittance processors use to reconcile the amounts of payments 474 received against

the amount of cash applied and the amount deposited in the bank, so that any imbalance positions are immediately discovered. ARS 10 produces a current activity file on every transaction or edit to ARS 10 and also ties in the identification code of the person who made any change within ARS 10 at any time. This file is archived to a storage media.

Figure 12 is an exemplary embodiment of a screen layout of ARS 10, which displays a payment application 510 to a customer account. Payment application 510 permits the operator to select a method 514 to apply the payment in a particular manner, such as by account descending 516, a statement balance 520, an invoice number 522, a payment from oldest invoices 524, pay by finder number 530, an invoice search 534, etc.

Figure 13 is an exemplary embodiment of a screen layout of ARS 10, which displays the creation of a parent hierarchy record or payor hierarchy record for the subsidiary customer. Specifically, the customer record of a subsidiary 544 is interconnected to a payor 600. This provides a merging of multiple accounts in order to obtain on-line aging of customer exposure and better facilitate remittance processing.

Figure 14 is an exemplary embodiment of a screen layout of ARS 10, which displays the manner in which payment 474 that has been applied by ARS 10 may be subsequently reversed. A previous payment application is reversed in ARS 10 by providing information relating to a customer number 610, a check reference 614, a check number 620, a lock box number 624, a batch type 630, and a batch number 634.

In an alternative embodiment, information is automatically provided by data from other screens being used to populate select fields within reverse check screens.

Figure 15 is an exemplary embodiment of a screen layout of ARS 10, which displays the reversal of a zero application and all other records. The screen

layout identifies a customer number 640, a finder number 642, and an invoice number 644 through which the operator offsets certain items to an account of customer 640 and updates the records of customer 640 on-line.

2. CONCENTRATION MONITORING

Designated credit officer 224 can monitor the account balances and activity on-line through ARS 10. Periodically, reports are generated that indicate the accounts on which action is required during the following week. Accounts are included in the report if they meet any of the exception conditions which can be changed immediately through the use of tables. ARS 10 produces numerous reports from the individual account level up to the overall client level.

3. AGING

The criteria and process used in ARS 10 aging are very definitive, with an item being classified as being past due on the day after its due date. The aging of accounts in the credit status system is automated such that customer remittances are applied on-line, and the customer's balance is updated immediately for credit control purposes. Invoices that are not delinquent are broken into two sections: Current and Not Due. Current means the invoice is due within 30 days from a defined closing date. Not-due means that the invoice is due at least 31 days from a defined closing date. Delinquent (or past due) means the invoice is unpaid at least one day after its individual due date. The main report used to identify aging is an Aged Trial Balances as well as a Trending Report.

Although the aging of accounts receivable has been described here in Remittance Processing Module 194, in another embodiment, it can be accessed or interfaced from other modules such as Credit Inquiry Module 190, ARC Module 194 or Maintenance Module 204.

4. DELINQUENCY MANAGEMENT

The normal delinquency collection cycle takes place by designated credit officer 224 and is triggered by either a past due condition which is identified on a weekly exception condition run and/or an on-line inquiry screen showing a customer who has exceeded their credit line. Although there are a variety of reasons for making collection calls or reconciliation attempts, the principal reason is delinquency.

One of the biggest collection incentives are the targets imposed upon credit officers 230 for collections as a percent to available receivables (total receivable balance less not dues) as well as percent to forecasted collections (used to measure ability of credit officer 224 to set accurate targets) which are monitored and reported on a monthly basis for each credit officer 224 and which become a part of the yearly performance evaluation of credit officers 230.

Figure 16 is an exemplary embodiment of a simplified activity diagram of the collection process. Once accounts have been identified as requiring collection calls or preliminary investigative calls, designated credit officer 224 begins the required collection activities 700. These are reviewed based on collections as a percent to forecast and available amounts as well as delinquency ratios. Delinquent accounts are reviewed routinely by credit officers 230 with their particular District Credit Managers in order to increase the intensity and level of collection activity, if required.

Some customers require a high degree of account reconciliation which must take place between credit notes being issued, customer debit notes being deducted, ARC 654 being rejected and/or proof of delivery supplied, etc. This is done on a daily basis by designated credit officer 224 as he provides the expertise to effectively manage the portfolio so that the client's own internal measurements are achieved. There are, however, cases where concessions are made to the customer and these are normally taken up by the District Credit Managers who reviews the items in

question with designated credit officer 224 and makes recommendations for concession write-offs to the Region Manager who further reviews and, if appropriate, requests sign-off by the Vice President-Finance of the client. The client has the option of delegating this to the personnel of the business entity.

ARS 10 has a variety of reports that monitor delinquencies such as an aged trial balance 710, an on-line aged balance 712, an on-line customer data summary 714, an interchange 720 from various credit agencies, payment habit statistics 724, ARS 10 generated collection letters 730 (also sometimes referred to as "dunning" letters), a credit scoring 734, a parent hierarchy 740, communications on scratch pad 744, and other reports. Payment habit statistics 724, also sometimes referred to as payment history reports, are on a per account basis, per credit officer 224 basis, per client basis, etc. These reports are generated either on-line or in a monthly format together with the weekly exception reports on collection calls that are required. They are distributed to designated credit officer 224 with monthly aged trial balance 710 being provided to the individual client involved. The "trending report" encapsulates 38 actuals of A/R information per month on a 13 month tracking trend on one sheet of paper with their top 25 customer abusers on the back page.

An account is defined as being past due or delinquent within ARS 10 on the first day beyond the agreed upon terms of sale 746. For example, an invoice billed on January 1st, 2000 with a term of net 30 days becomes past due and delinquent on January 31, 2000 and is reported in that format. ARS 10 extracts from the billing input file the term 456 that is associated with each individual invoice and, together with its table matrix which has been approved by the client, assigns the particular due date 444. The aging on ARS 10 is measured on a day-by-day basis, which is an accurate measurement facilitating better follow-up on delinquencies.

Each month ARS 10 receives feeds from Dun & Bradstreet and other credit reporting agencies. Ownership changes, rating changes, judgments, and large decreases in Paydex or Payment Index scores are reported to designated credit officer 224 in a hard copy report. Additionally, any promises to pay made by customers are

input into ARS 10. These promises also appear on-line and on the weekly exception reports.

Delinquent accounts are handled by a variety of methods depending on the size of the dollars past due and the customer history for delinquencies. Collection letters are used 750 for smaller accounts. Multiple Collection letters, of increasing (strength), may be generated after individual invoice due dates based on a variable criteria by client and at predetermined intervals. Larger or "at risk" customers typically do not pass through the collection letter process 750 and are directly contacted by phone when their accounts become past due.

Sometimes, a customer has delinquencies in the form of a reconciliation progress whereby a substantial portion of the account is paid within the normal industry standard payment terms and it is important that collection calls not irritate the customer. Designated credit officer 224 is responsible to manage the account through its life cycle and to build a customer service oriented rapport with that customer for the maximum benefit to the client. In some cases special arrangements such as having the customer pay down old balances with the purchase of new goods allows the customer to work down any outstanding obligations.

ARS 10 also reviews 754 other documentation pertaining to the delinquent account such as letter of credit 314, export insurance, and other financing documents.

Past due accounts are managed by a variety of credit officers 230 and are, in various instances, placed for collection 760 with an outside collection agency and/or lawyer prior to the request for bad debt authorization. By this, an independent third party makes an unbiased attempt at collecting the funds before writing it off as a bad debt. Customers that are bankrupt or have receivers appointed are handled 764 in accordance with the appropriate law. Generally, ARS 10 transfers such accounts to active bad debt files (discussed below). Any cash collected through collection activities 700 is processed through Remittance Processing Module 194.

Figure 17 is an exemplary screen layout of ARS 10, which displays customer credit interchange. Although the screen layout displays an embodiment of Dun & Bradstreet reports 250, similar screens are also obtainable from other credit reporting agencies 254. ARS 10 utilizes a risk code system 766 that assigns a value from 1 to 8 based on information from trade experiences, Dun and Bradstreet, and other credit reporting agencies. If no information is available, the account is coded "N". These codes are used to override "off" switches that may be present, such as the switch to turn off collection letters, also known as Dunning letters (discussed later) or other exception conditions.

Figure 18 is an exemplary screen layout of ARS 10 which displays customer information sorted by customer number 768. This information is accessed by designated credit officer 224 through ARS 10 during their detailed credit investigation 244 as well as on-going account review and monitoring. The customer information includes a name 770, an address 772, a telephone number 774, a Dun & Bradstreet rating 776, a risk code 778, an amount of highest credit 780, a date of last sale 782, the year-to-date sales 784, the unshipped order 786, a date customer was opened 788, a balance 790, a current balance 792, a past due balance 794, a name of parent 796, a currency 798, credit status 800, and other information.

ARS 10 reviews individual accounts on an exception basis. There is also a more formalized procedure whereby ARS 10 establishes a periodic credit update review and alerts designated credit officer 224 within a pre-determined time period prior to the lapse of the date that a review is required. This review may be simply designated credit officer's 224 mental review of the account, payment status with ARS 10, pay history, days to pay statistics, Dun & Bradstreet on-line interface information, so that an approval is input in ARS 10 to change the review date for another year. ARS 10 checks any change in the credit requirement to the individual identification code of designated credit officer 224 making the change to ensure that the credit limit of the customer has not been increased beyond the delegated authority of designated credit officer 224.

Figure 19 is an exemplary screen layout of ARS 10, which displays the detail aging of a given customer 802 along with scratch pad notes 744. Scratch pad notes 744 include telephone or other exchange with or from customer, information regarding credits to customer, or other information. The screen layout identifies a date 804 of the last check received from customer 802 and the aging of the accounts receivable balance 806 which classifies the balance as past due for 1-30 days, 31-60 days, 61-90 days, 91-180 days, 181-365 days and over 365 days.

Figure 20 is an exemplary screen layout of ARS 10, which displays the payment history 810 of a given customer 802. For customer 802, the screen layout identifies the net sales 812, the credit notes 814, the highest credit granted 816, a write-off amount 820, a check returned for not-sufficient funds 824 and other information, all of which information is displayed by the current semester 830, the last six months 834 and the prior six months 840.

Although delinquency management of accounts receivable has been described here in Remittance Processing Module 194, in another embodiment, it can be accessed or interfaced from other modules such as Credit Inquiry Module 190, ARC Module 200 or Maintenance Module 204.

5. BAD DEBT--WRITE OFFS AND RECOVERIES

ARS 10 provides a sophisticated method for tracking bad debts once they are written off. In essence, when a write off to bad debt takes place, a journal entry is input to ARS 10 which simply transfers a mirror image of that customer's bad debt statement out of the normal receivable statements, generates an automatic journal entry to the client's G/L system 180 and mirror images the customer statement on an internal "active bad debt file". From the client's perspective the balance is treated as a write-off. All write-offs proposed by ARS 10 are signed off by the client's Vice President of Finance (or delegate). Bad debts principally generated from receiverships, bankruptcies, etc., are still treated as active bad debt customers. Such information is transferred to the active bad debt file on ARS 10 which does not

impact the client's aged trial balances. Files are transferred to the management individual assigned responsibility for bad debt monitoring who, on a routine basis, follows up with the various trustees, receivers, collection agencies, etc., to generate some recovery. On receipt of a final disbursement letter from the trustee or receiver, or a decision is made that there is no chance of additional recovery, the District Manager prepares a recommendation to transfer these specific customers out of the active bad debt file and to consider them to be inactive bad debts, which are then consolidated and stored in off-site storage for tax and audit purposes.

ARS 10 produces monthly runs of outstanding active bad debt accounts which are controlled by the appropriate District Managers. All bad debts are signed by the District Manager, the General Manager and a client delegate of the Vice President Finance.

Bad debt provisions are calculated by ARS 10 for each year and then divided into quarters. The bad debt provision is set at the average net bad debts over the last six years. The provision is checked against actual bad debts each quarter, and provisions are also adjusted up or down each quarter, as required. Year-end bad debt provisions, as calculated on ARS 10, are then recommended to the client.

Although the write-off process has been described here in Remittance Processing Module 194, in another embodiment, it can be accessed or interfaced from other modules such as Credit Inquiry Module 190, ARC Module 200 or Maintenance Module 204.

C. ACCOUNT RECEIVABLE CLAIMS (ARC) MODULE

ARC Module 200 manages the Accounts Receivable Claim Process which involves identifying invoices as disputed, and sending notice of such disputes to the client for resolution through on line communication. Upon generation of a claim, ARS 20 tracks the status in multiple ways and ages disputed items until final resolution.

The following process description explains the details involved in dispute resolution and other aspects of operational functions involved in managing Accounts Receivable Claims.

1. DISPUTE RESOLUTION

Figure 21 is an activity diagram of the accounts receivable claim procedure. Disputes from customers are recorded 844 in ARC Module 200, which are instantly logged in, numbered, and filled in with the appropriate word description to generate an accounts receivable claim (ARC) 846. Based on the identification code matrix established for ARS 10, ARC 846 is immediately available on-line 850 to the responsible person within the client 854 for resolution and on-line tracking 860. Hard copies of individual disputes are also printed overnight 850 in batch mode on designated printers for each of the client's responsible persons if requested. These persons input comments 864 on-line with any credit notes that are issued to adjust the customer short payments so that prompt offsets take place for aging purposes. Designated credit officer 224 puts their comments 870 on ARC 846. Should a customer dispute be disallowed or rejected, using ARC 846 the client writes to the customer wherein the letter is laser printed on ARS 10 and mailed or faxed from the business entity's pooled location using the business entity's mailing volumes and procedures. These letters are electronic and become a part of ARC 846 for follow-up and audit purposes. Once the dispute is resolved, designated credit officer 224 closes 874 ARC. Open ARC 846 is maintained, reporting stored 880 on-line for aging purposes until, collected, credited or written off.

Figure 22 is an exemplary screen layout of ARS 10, which displays the root cause analysis 890 summarizing outstanding Accounts Receivable Claims. This screen layout identifies the customer, a responsible person 892 from the client for said customer and an aging 894 of the accounts receivable disputes balance for the customer. Aging 894 identifies if the balance is current, 2 months past due, 3 months past due, 4-6 months past due, 7-12 months past due or 12 months past due. Designated credit officer 224 or responsible person 892 identifies and inputs 896 the

reason(s) for the dispute with the customer and the amount in dispute. In an alternative embodiment, the data is captured from the initial ARC setup during remittance processing. For example, the reason for the dispute may be a sales concession, invoice not per contract, pricing error, or other reasons unique to each client and maintained in tables.

D. MAINTENANCE MODULE

Maintenance Module 204 is used to maintain various types of information about the customer. For example, Maintenance Module 204 maintains and allows modifications to the customer information such as name, telephone number, and address. As depicted in Figure 14, Maintenance Module 204 also maintains and updates connectivity between separate accounts. Additionally, through Maintenance Module 204 a customer service representative, designated credit officer 224, or any other representative of the business entity accesses or updates any information pertaining to the customer interface. Maintenance Module 204 is very flexible and is accessible from Credit Inquiry Module 190, Remittance Processing Module 194, ARC Module 200 or Administration Module 210.

E. ADMINISTRATION MODULE

Administration Module 210 deals with normal system administrator's functions including the maintenance of the security of the system. Additionally, Administrative Module 210 is utilized in updating various data and tables both during a nightly batch process and during on-line processing. Managers and supervisors have authority to access Administration Module 210 to update various records relating to the clients and their customers.

Figure 23 is a process flow chart 900 summarizing the functionality of ARS 10. The first step of the process involves interfacing 910 with OSB system 20 to exchange and download the required data. After receiving 920 the invoice data, ARS 10 processes 930 billing files. ARS 10 extracts 940 data from the received information and posts the data to ARS 10 where it is then available to authorized

users of ARS 10 business entity and client system 14. Data is then loaded 950 and displayed 960 on client system 14 or any other devices attached to ARS 10 for analysis and processing 962. Once the payment is received 970 from the customer, the payment is posted 980 to a proper customer account through ARS 10. ARS 10 personnel having the authority to adjust 990 or move the payment from one account to another, in the event of an error. Once the payment is posted and the account is updated, ARS 10 generates 1000 the required general ledger entries and transfers 1010 the same to post on client's G/L system 180. ARS 10 then downloads and displays general ledger entries as well as other information relating to the client or client's customers on devices 14 or client's work station 88. The information retrieved from OSB 20 as well as information generated by ARS 10 between various steps is stored in Database 94 on disk storage unit 38.

While the invention has been described in terms of various specific embodiments, those skilled in the art will recognize that the invention can be practiced with modification within the spirit and scope of the claims.

WHAT IS CLAIMED IS:

1. A method for managing trade using an accounts receivable system coupled to a database, said method comprising the steps of:

receiving customer information from a client system;

utilizing data from the customer financial information;

retrieving credit information pertaining to the customer; and

evaluating credit status of the customer based on client credit scoring options and providing information back to the client regarding credit line status of the customer.

2. A method in accordance with Claim 1 wherein said step of receiving customer information from a client system further comprises the step of receiving information from a client's OSB system.

3. A method in accordance with Claim 1 wherein said step of evaluating credit status further comprises the steps of identifying dilution, reviewing credit reports received from one of a credit agencies, reviewing financial statements, reviewing salesmen reports, and reviewing future business potential of the customer.

4. A method in accordance with Claim 1 wherein said step of evaluating credit status further comprises the steps of visiting the customer site and performing any additional investigations through public databases or through hiring of investigators as necessary.

5. A method in accordance with Claim 4 wherein said step of evaluating credit status further comprises the step of reviewing whether money borrowed through a credit line is being used in a legitimate business.

6. A method in accordance with Claim 5 wherein said step of evaluating credit status further comprises the steps of:

granting a specific credit line to a customer within a delegated authority limits of a credit officer; and

communicating the credit line information to the client.

7. A method in accordance with Claim 1 wherein said step of retrieving credit information pertaining to the customer further comprises the steps of:

producing an electronic file showing a customer payment history for electronic input to any credit agency;

retrieving information electronically including trade information, aging, credit ratings, credit scoring, and suggested credit limit information from any reputed credit agency; and

accepting an electronic file from any reputed credit agency into the accounts receivable system.

8. A method in accordance with Claim 1 wherein said step of receiving customer information from the client further comprises the step of receiving information manually and not through the client system.

9. A method in accordance with Claim 1 wherein the accounts receivable system is coupled to the client by at least one of a wide area network, a local area network and the Internet, said step of receiving customer information comprises the steps of:

establishing a communication link between the client system and the accounts receivable system; and

authenticating the client system.

10. A method in accordance with Claim 9 wherein said step of establishing a communication link comprises the step of establishing a link to a client's OSB system.

11. A method in accordance with Claim 9 wherein said step of establishing a communication link between the client system and the accounts receivable system comprises the step of linking the client system by a telephone.

12. A method in accordance with Claim 1 wherein the accounts receivable system is coupled to a credit analyst computer, said method further comprises the step of providing access to the customer information in the accounts receivable system to the credit analyst computer.

13. Apparatus for managing trade receivables credit and collection services using an accounts receivable system coupled to a database, said apparatus comprising:

a database; and

an accounts receivable system coupled to a client system by a communication link, said accounts receivable system configured to:

communicate with the client system via the communication link;

authenticate the client system;

receive customer information from the client system;

utilize data from the financial information;

retrieve credit information pertaining to the customer; and

evaluate credit status of the customer based on client credit scoring options and provide information back to the client regarding credit line status of the customer.

14. Apparatus in accordance with Claim 13 wherein said accounts receivable system is further configured to analyze credit status based on financial dilution, analysis of credit reports received from one of a credit agencies, analysis of

customer financial statements, analysis of salesmen reports, and analysis of future business potential of the customer.

15. Apparatus in accordance with Claim 13 wherein said accounts receivable system is further configured to:

grant a specific credit line to a customer based on a delegated authority limits of a credit officer; and

communicate the credit line information to the client.

16. Apparatus in accordance with Claim 13 wherein said accounts receivable system is further configured to:

produce an electronic file showing a customer payment history for electronic input to any credit agency;

retrieve information electronically including trade information, aging, credit ratings, credit scoring, and suggested credit limit information from any other reputed credit agency; and

accept an electronic file from any other reputed credit agency into the accounts receivable system.

17. Apparatus in accordance with Claim 13 wherein said accounts receivable system is further configured to receive and process customer information from the client manually instead of the client system electronically.

18. Apparatus in accordance with Claim 13 wherein said accounts receivable system is further configured to receive customer information through a communication link established between the client system and the accounts receivable system.

19. Apparatus in accordance with Claim 18 wherein the communication link is at least one of a wide area network, a local area network and the Internet.

20. Apparatus in accordance with Claim 13 wherein said accounts receivable system is further coupled to a credit analyst computer to provide access to the customer information in the accounts receivable system to the credit analyst computer.

21. Apparatus in accordance with Claim 20 wherein said accounts receivable system is further configured to monitor the activities of the credit analyst to ensure that the credit analyst in making the credit decisions has not made decisions beyond his delegated authority.

22. Apparatus in accordance with Claim 20 wherein said accounts receivable system is further configured to monitor customer credit limits electronically and generate a flag to the credit analyst when customer's outstanding balance exceeds the pre-set credit limit.

23. Apparatus in accordance with Claim 20 wherein said accounts receivable system is further configured to automatically generate a variety of letters to customers to provide one of a payment detail, notification of return check, reminder for the payment, notification of past due invoices, response to disputes.

24. Apparatus in accordance with Claim 13 wherein said accounts receivable system is coupled to the client system by a telephone link.

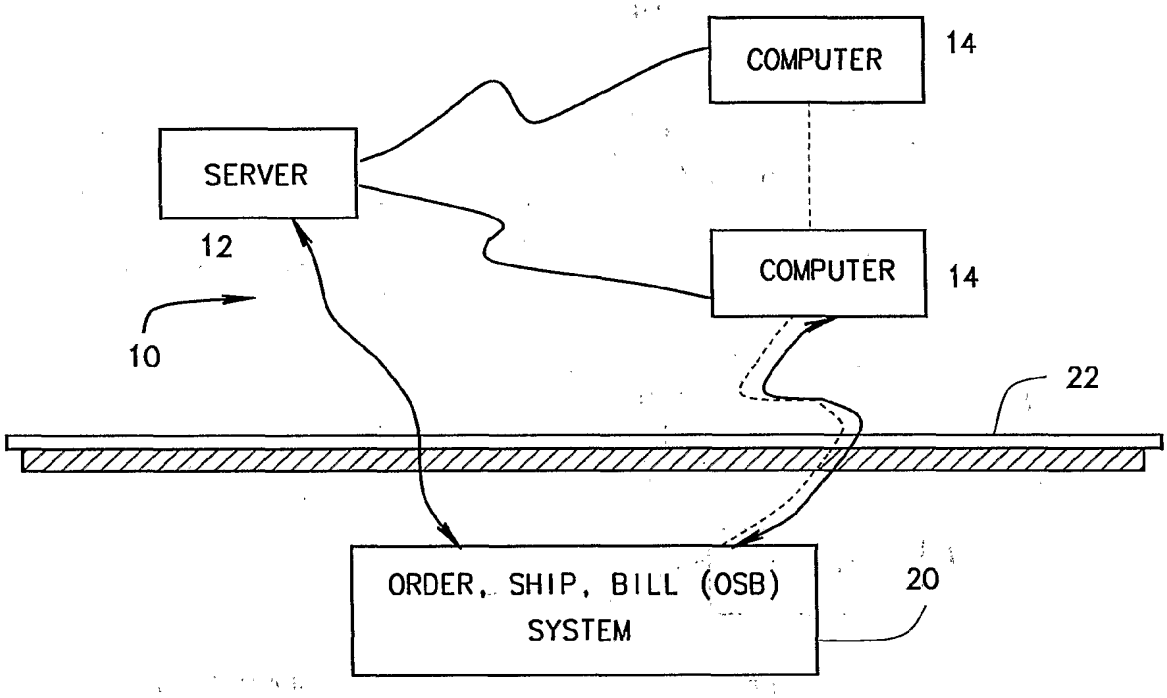

COMPUTER
14
SERVER
12
COMPUTER
14
10
22
ORDER, SHIP, BILL (OSB)
SYSTEM
20

FIG. 1

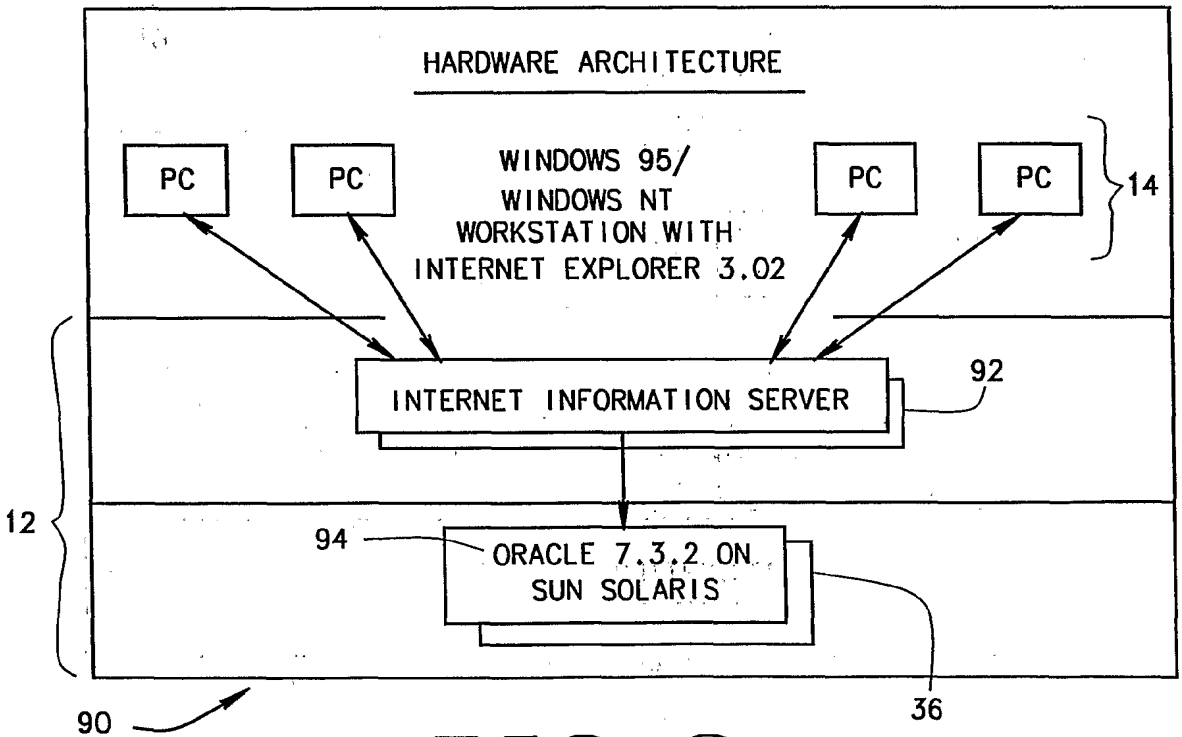

HARDWARE ARCHITECTURE
PC
PC
WINDOWS 95/
WINDOWS NT
WORKSTATION WITH
INTERNET EXPLORER 3.02
PC
PC
14
INTERNET INFORMATION SERVER
92
12
94
ORACLE 7.3.2 ON
SUN SOLARIS
36
90

FIG. 3

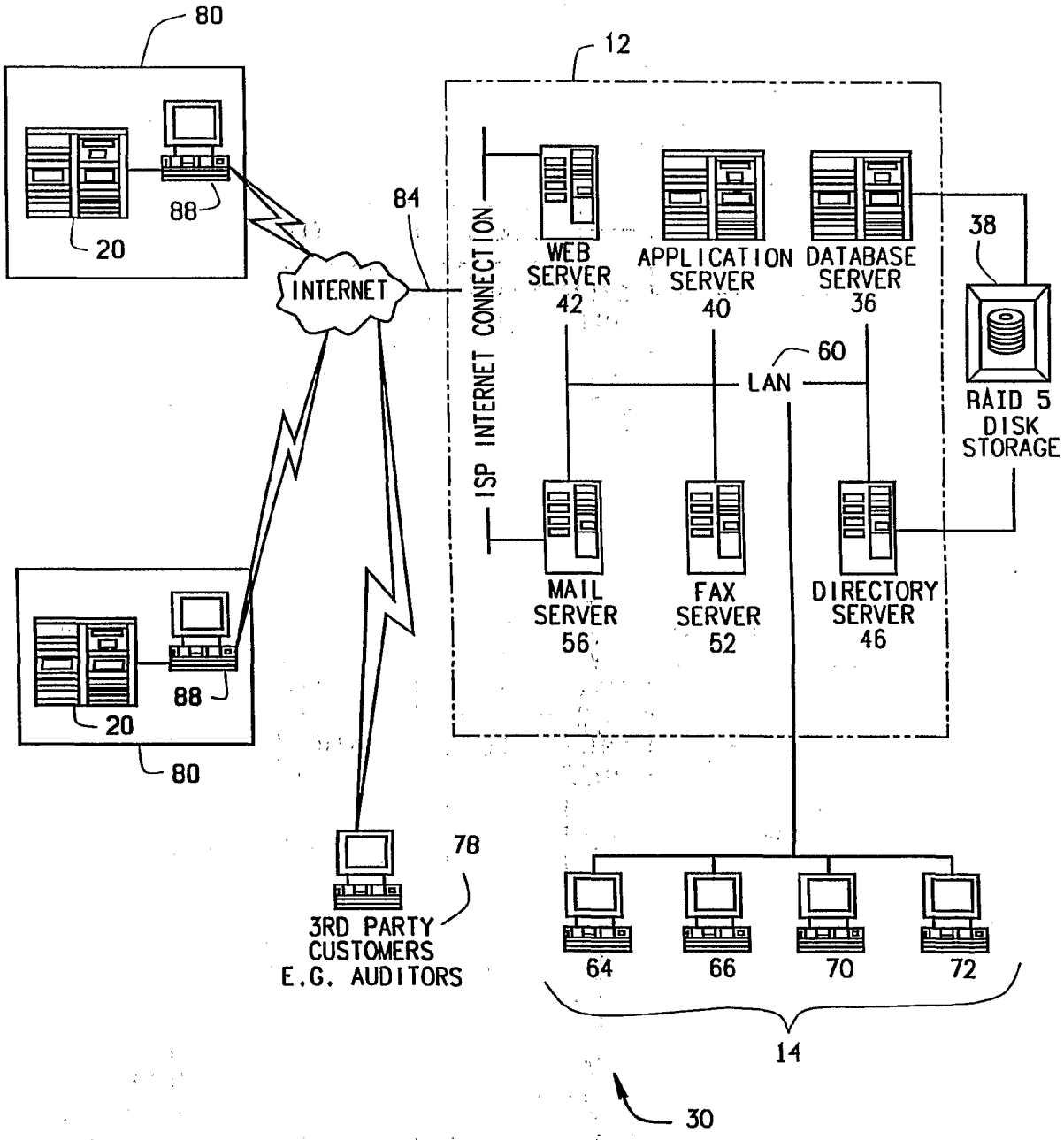

80
12
84
88
20
INTERNET
ISP INTERNET CONNECTION
WEB SERVER 42
APPLICATION SERVER 40
DATABASE SERVER 36
38
RAID 5 DISK STORAGE
60
LAN
MAIL SERVER 56
FAX SERVER 52
DIRECTORY SERVER 46
88
20
80
78
3RD PARTY CUSTOMERS E.G. AUDITORS
64
66
70
72
14
30

FIG. 2

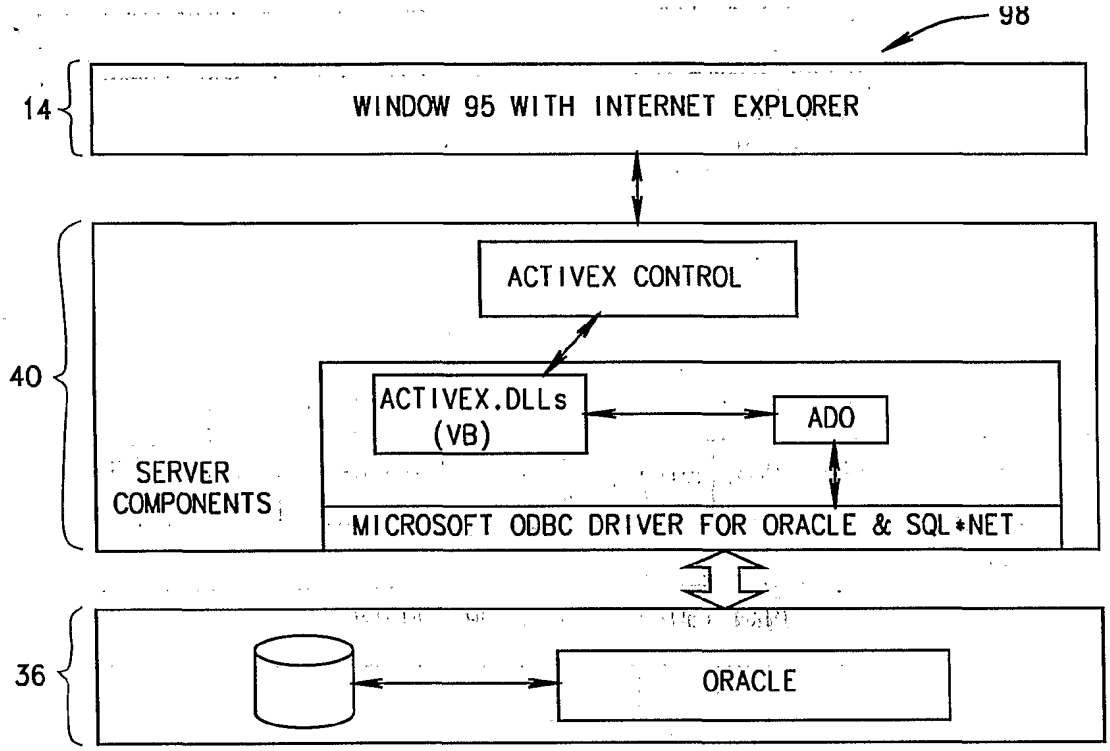

98
14
WINDOW 95 WITH INTERNET EXPLORER
40
ACTIVEX CONTROL
ACTIVEX.DLLs (VB)
ADO
SERVER COMPONENTS
MICROSOFT ODBC DRIVER FOR ORACLE & SQL*NET
36
ORACLE

FIG. 4

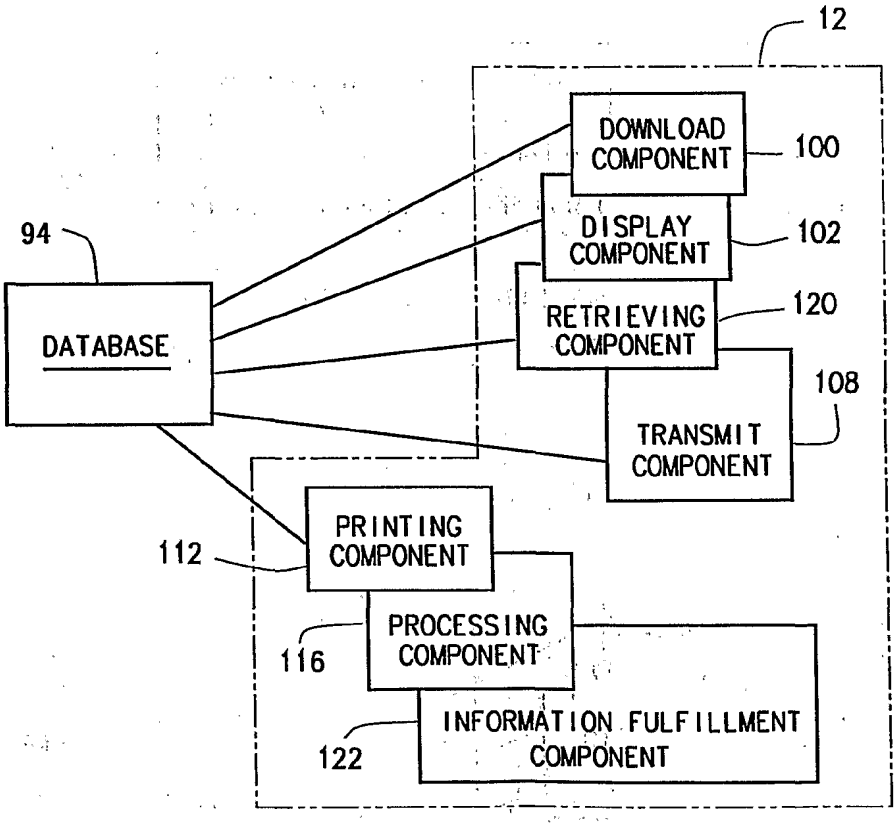

12
DOWNLOAD COMPONENT
100
DISPLAY COMPONENT
102
RETRIEVING COMPONENT
120
TRANSMIT COMPONENT
108
94
DATABASE
PRINTING COMPONENT
112
PROCESSING COMPONENT
116
INFORMATION FULFILLMENT COMPONENT
122

FIG. 5

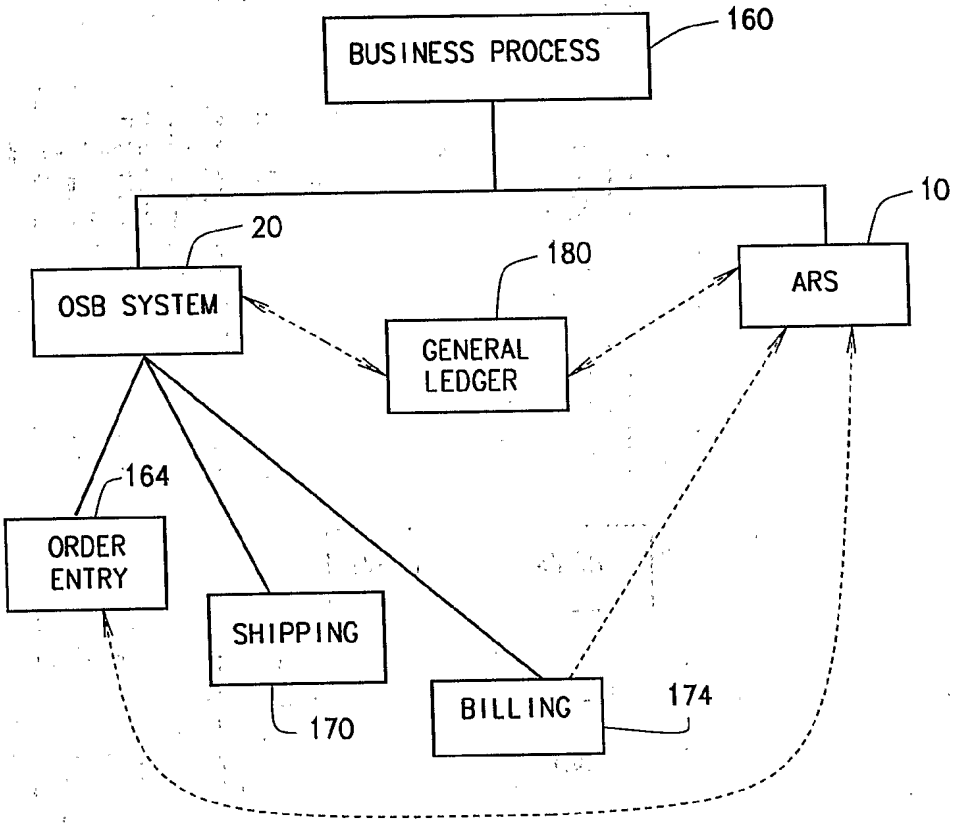

BUSINESS PROCESS
160
10
20
180
OSB SYSTEM
GENERAL LEDGER
ARS
164
ORDER ENTRY
SHIPPING
170
BILLING
174

FIG. 6

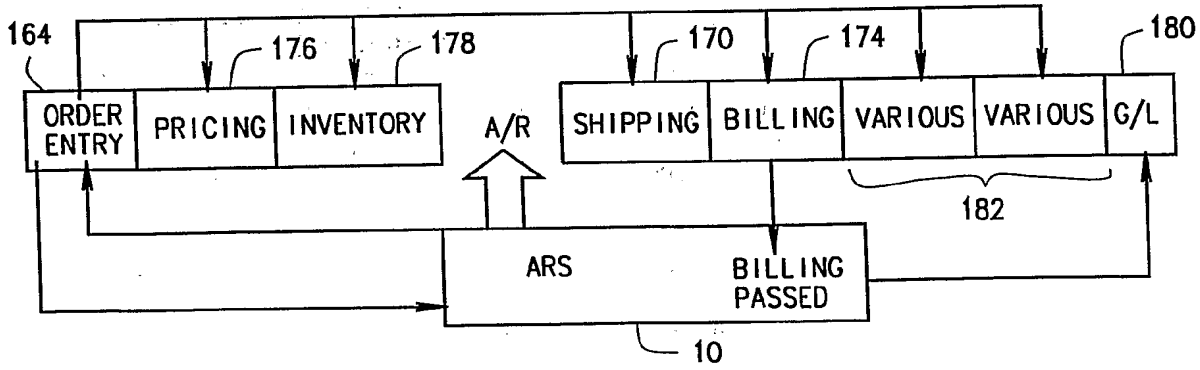

164
176
178
170
174
180
ORDER ENTRY
PRICING
INVENTORY
A/R
SHIPPING
BILLING
VARIOUS
VARIOUS
G/L
182
ARS
BILLING PASSED
10

FIG. 7

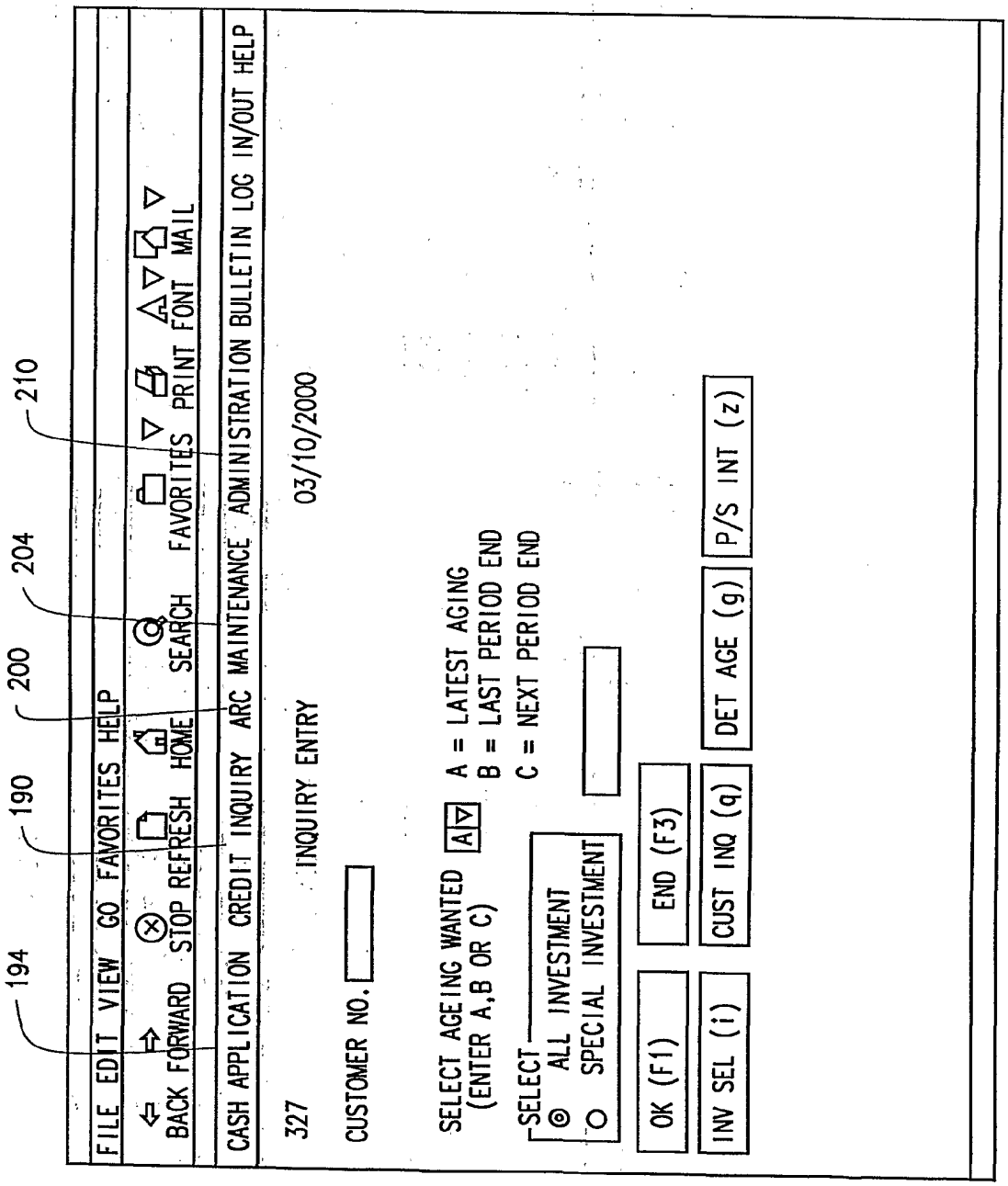

194
190
200
204
210
FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL
CASH APPLICATION CREDIT INQUIRY ARC MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
327 INQUIRY ENTRY 03/10/2000
CUSTOMER NO.
SELECT AGEING WANTED (ENTER A,B OR C) A
A = LATEST AGING
B = LAST PERIOD END
C = NEXT PERIOD END
SELECT
ALL INVESTMENT
SPECIAL INVESTMENT
OK (F1)
END (F3)
INV SEL (i)
CUST INQ (q)
DET AGE (g)
P/S INT (z)

FIG. 8

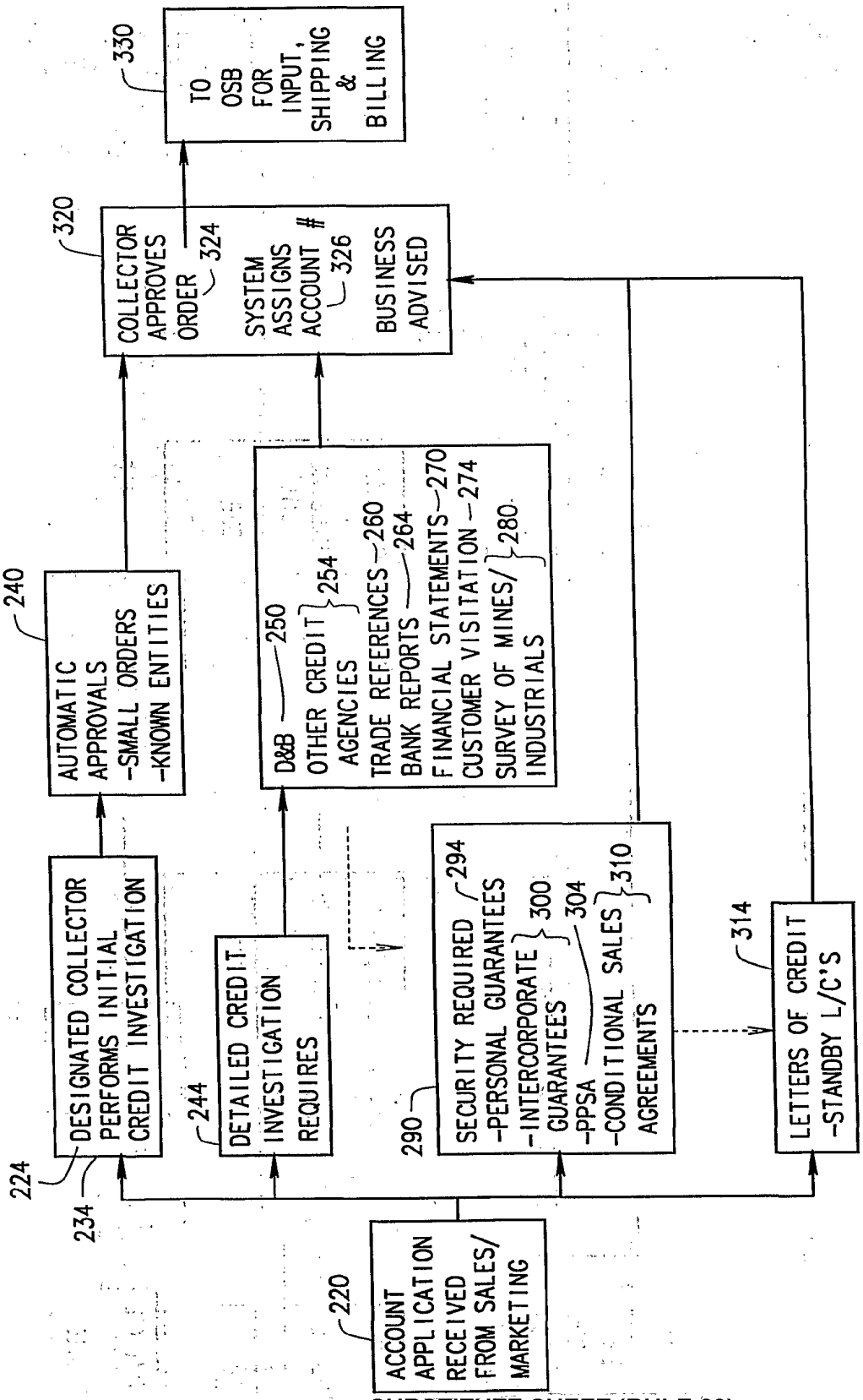

ACCOUNT APPLICATION RECEIVED FROM SALES/ MARKETING
220
DESIGNATED COLLECTOR PERFORMS INITIAL CREDIT INVESTIGATION
224
234
AUTOMATIC APPROVALS -SMALL ORDERS -KNOWN ENTITIES
240
DETAILED CREDIT INVESTIGATION REQUIRES
244
D&B 250
OTHER CREDIT AGENCIES 254
TRADE REFERENCES 260
BANK REPORTS 264
FINANCIAL STATEMENTS 270
CUSTOMER VISITATION 274
SURVEY OF MINES/ INDUSTRIALS 280
SECURITY REQUIRED 290
-PERSONAL GUARANTEES
-INTERCORPORATE GUARANTEES 294 300
-PPSA
-CONDITIONAL SALES AGREEMENTS 304 310
LETTERS OF CREDIT -STANDBY L/C'S
314
COLLECTOR APPROVES ORDER 320 324
SYSTEM ASSIGNS ACCOUNT # 326
BUSINESS ADVISED
TO OSB FOR INPUT, SHIPPING & BILLING
330

FIG. 9

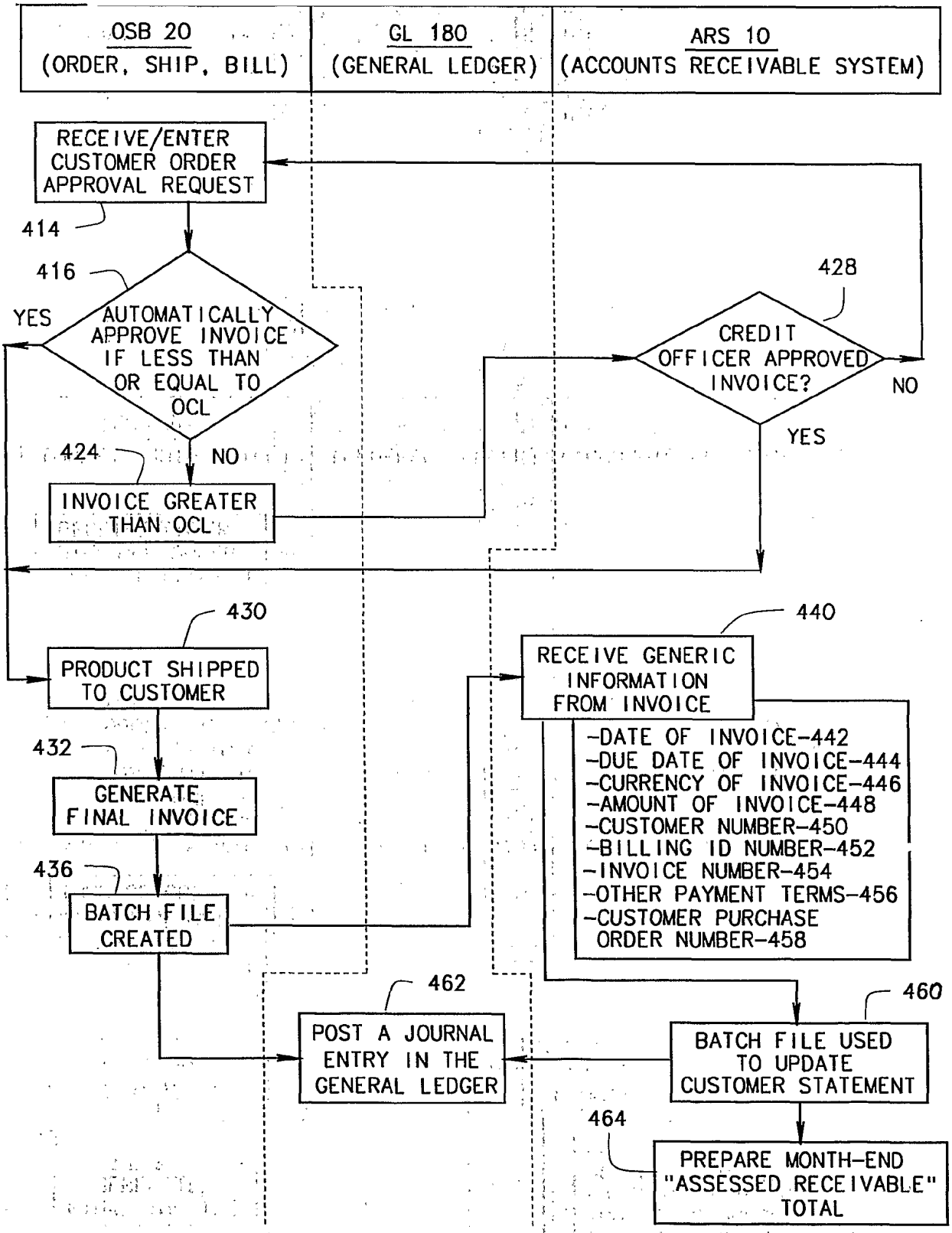

OSB 20
(ORDER, SHIP, BILL)
GL 180
(GENERAL LEDGER)
ARS 10
(ACCOUNTS RECEIVABLE SYSTEM)
RECEIVE/ENTER CUSTOMER ORDER APPROVAL REQUEST
414
416
AUTOMATICALLY APPROVE INVOICE IF LESS THAN OR EQUAL TO OCL
YES
NO
424
INVOICE GREATER THAN OCL
428
CREDIT OFFICER APPROVED INVOICE?
NO
YES
430
PRODUCT SHIPPED TO CUSTOMER
432
GENERATE FINAL INVOICE
436
BATCH FILE CREATED
440
RECEIVE GENERIC INFORMATION FROM INVOICE
-DATE OF INVOICE-442
-DUE DATE OF INVOICE-444
-CURRENCY OF INVOICE-446
-AMOUNT OF INVOICE-448
-CUSTOMER NUMBER-450
-BILLING ID NUMBER-452
-INVOICE NUMBER-454
-OTHER PAYMENT TERMS-456
-CUSTOMER PURCHASE ORDER NUMBER-458
462
POST A JOURNAL ENTRY IN THE GENERAL LEDGER
460
BATCH FILE USED TO UPDATE CUSTOMER STATEMENT
464
PREPARE MONTH-END "ASSESSED RECEIVABLE" TOTAL

FIG. 10

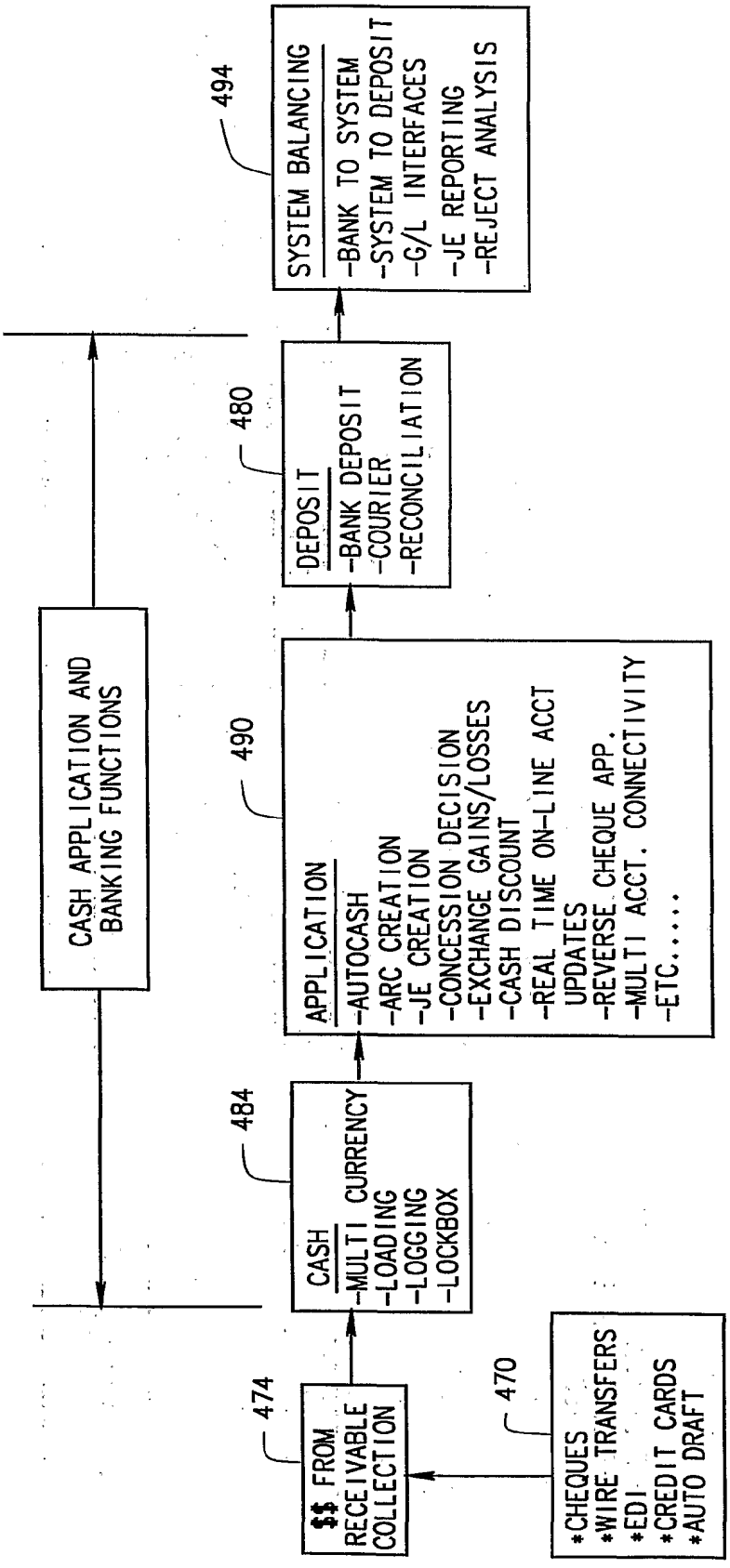

$$ FROM RECEIVABLE COLLECTION
474
*CHEQUES
*WIRE TRANSFERS
*EDI
*CREDIT CARDS
*AUTO DRAFT
470
CASH
-MULTI CURRENCY
-LOADING
-LOGGING
-LOCKBOX
484
APPLICATION
-AUTOCASH
-ARC CREATION
-JE CREATION
-CONCESSION DECISION
-EXCHANGE GAINS/LOSSES
-CASH DISCOUNT
-REAL TIME ON-LINE ACCT UPDATES
-REVERSE CHEQUE APP.
-MULTI ACCT. CONNECTIVITY
-ETC.....
490
DEPOSIT
-BANK DEPOSIT
-COURIER
-RECONCILIATION
480
SYSTEM BALANCING
-BANK TO SYSTEM
-SYSTEM TO DEPOSIT
-G/L INTERFACES
-JE REPORTING
-REJECT ANALYSIS
494
CASH APPLICATION AND BANKING FUNCTIONS

FIG. 11

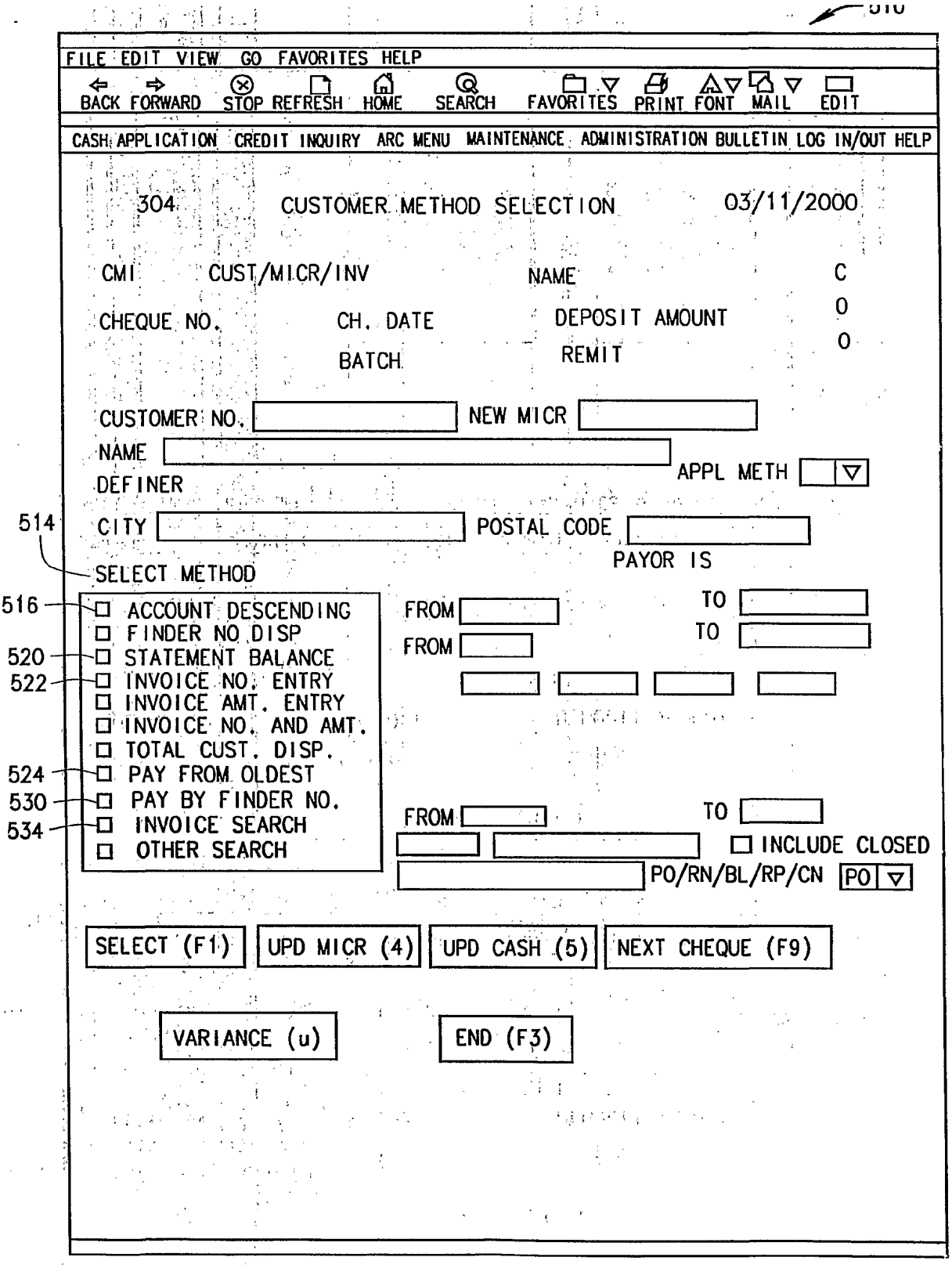

510
FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL EDIT
CASH APPLICATION CREDIT INQUIRY ARC MENU MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
304
CUSTOMER METHOD SELECTION
03/11/2000
CMI
CUST/MICR/INV
NAME
C
0
CHEQUE NO.
CH. DATE
DEPOSIT AMOUNT
BATCH
REMIT
0
CUSTOMER NO.
NEW MICR
NAME
APPL METH
DEFINER
514
CITY
POSTAL CODE
PAYOR IS
SELECT METHOD
516
ACCOUNT DESCENDING
FINDER NO DISP
520
STATEMENT BALANCE
522
INVOICE NO. ENTRY
INVOICE AMT. ENTRY
INVOICE NO. AND AMT.
TOTAL CUST. DISP.
524
PAY FROM OLDEST
530
PAY BY FINDER NO.
534
INVOICE SEARCH
OTHER SEARCH
FROM
TO
FROM
TO
FROM
TO
INCLUDE CLOSED
PO/RN/BL/RP/CN
PO
SELECT (F1)
UPD MICR (4)
UPD CASH (5)
NEXT CHEQUE (F9)
VARIANCE (u)
END (F3)

FIG. 12

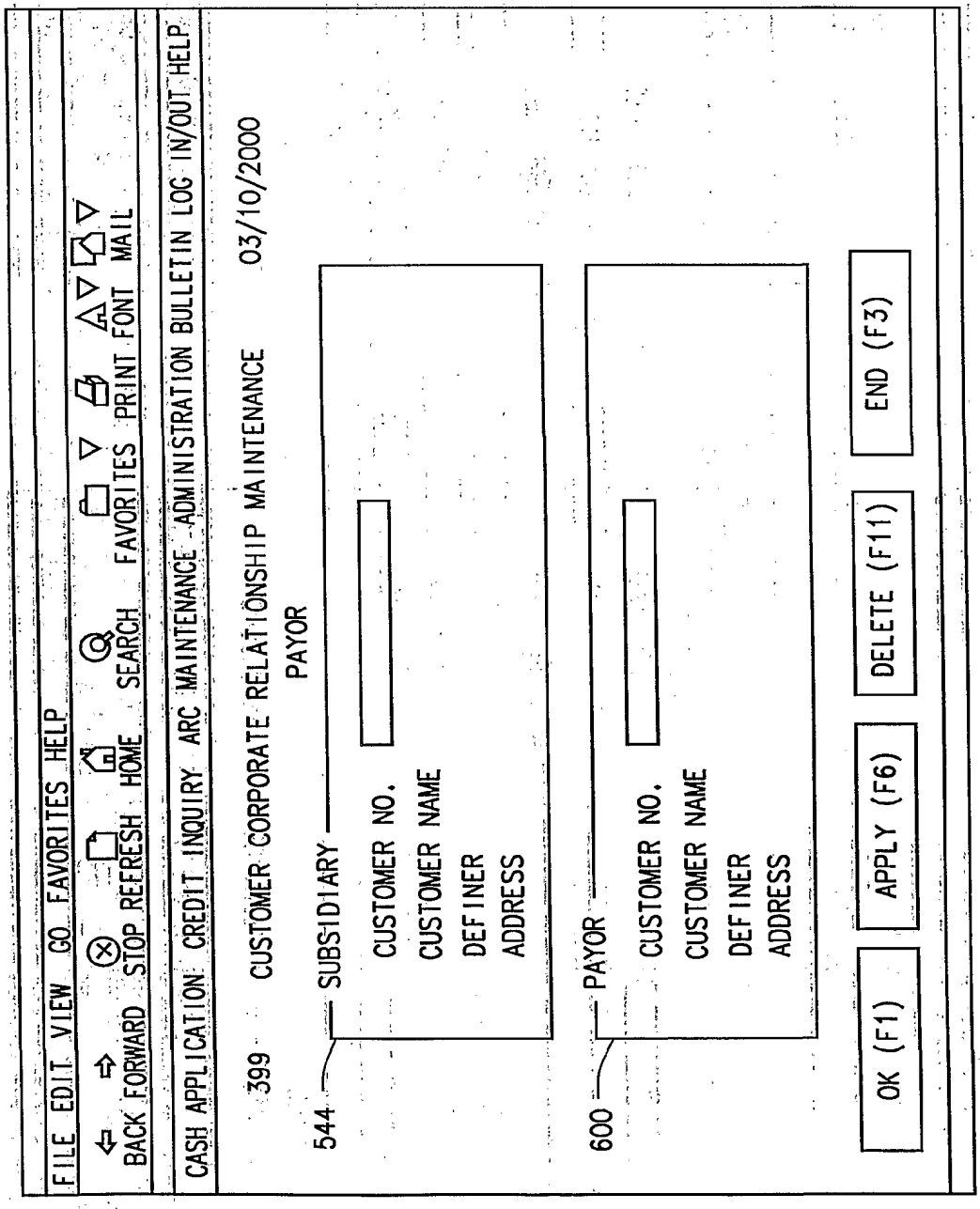

FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL
CASH APPLICATION CREDIT INQUIRY ARC MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
399 CUSTOMER CORPORATE RELATIONSHIP MAINTENANCE 03/10/2000
PAYOR
544
SUBSIDIARY
CUSTOMER NO.
CUSTOMER NAME
DEFINER
ADDRESS
600
PAYOR
CUSTOMER NO.
CUSTOMER NAME
DEFINER
ADDRESS
OK (F1)
APPLY (F6)
DELETE (F11)
END (F3)

FIG. 13

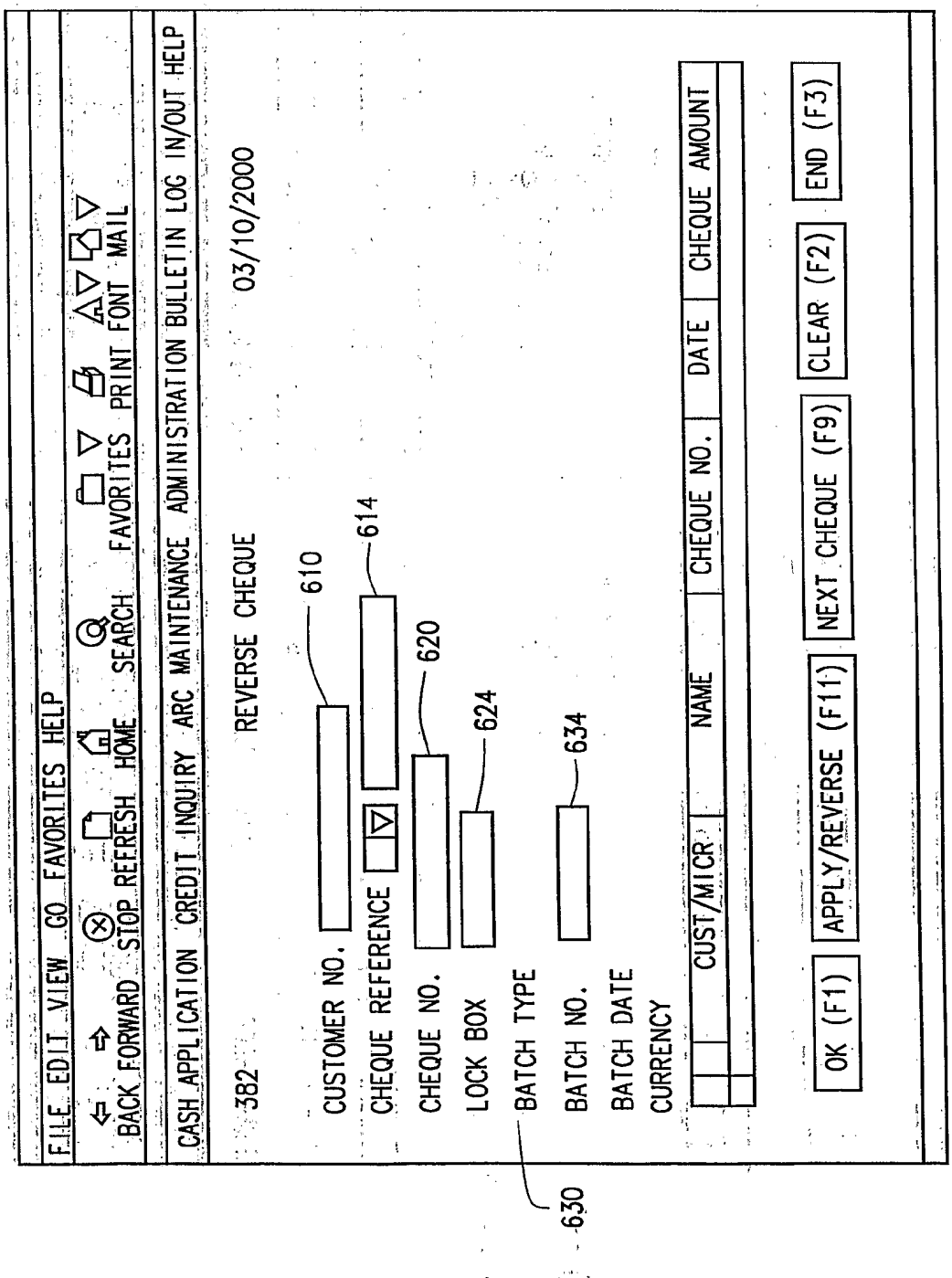

FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL
CASH APPLICATION CREDIT INQUIRY ARC MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
382
REVERSE CHEQUE
03/10/2000
610
CUSTOMER NO.
614
CHEQUE REFERENCE
620
CHEQUE NO.
624
LOCK BOX
630
BATCH TYPE
634
BATCH NO.
BATCH DATE
CURRENCY
CUST/MICR
NAME
CHEQUE NO.
DATE
CHEQUE AMOUNT
OK (F1)
APPLY/REVERSE (F11)
NEXT CHEQUE (F9)
CLEAR (F2)
END (F3)

FIG. 14

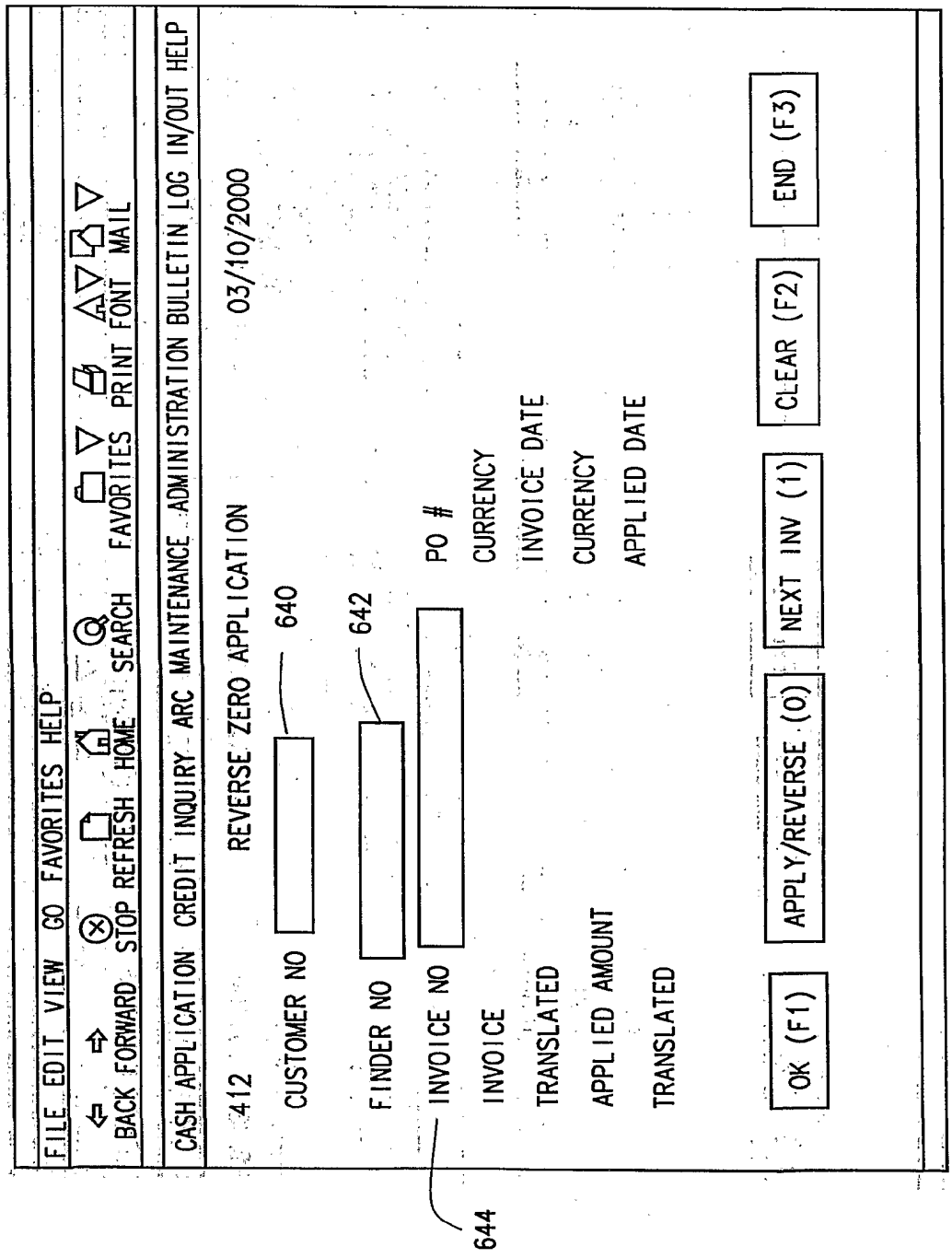

FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL
CASH APPLICATION CREDIT INQUIRY ARC MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
412
REVERSE ZERO APPLICATION
03/10/2000
CUSTOMER NO
640
FINDER NO
642
INVOICE NO
644
PO #
INVOICE
CURRENCY
TRANSLATED
INVOICE DATE
APPLIED AMOUNT
CURRENCY
TRANSLATED
APPLIED DATE
OK (F1)
APPLY/REVERSE (0)
NEXT INV (1)
CLEAR (F2)
END (F3)

FIG. 15

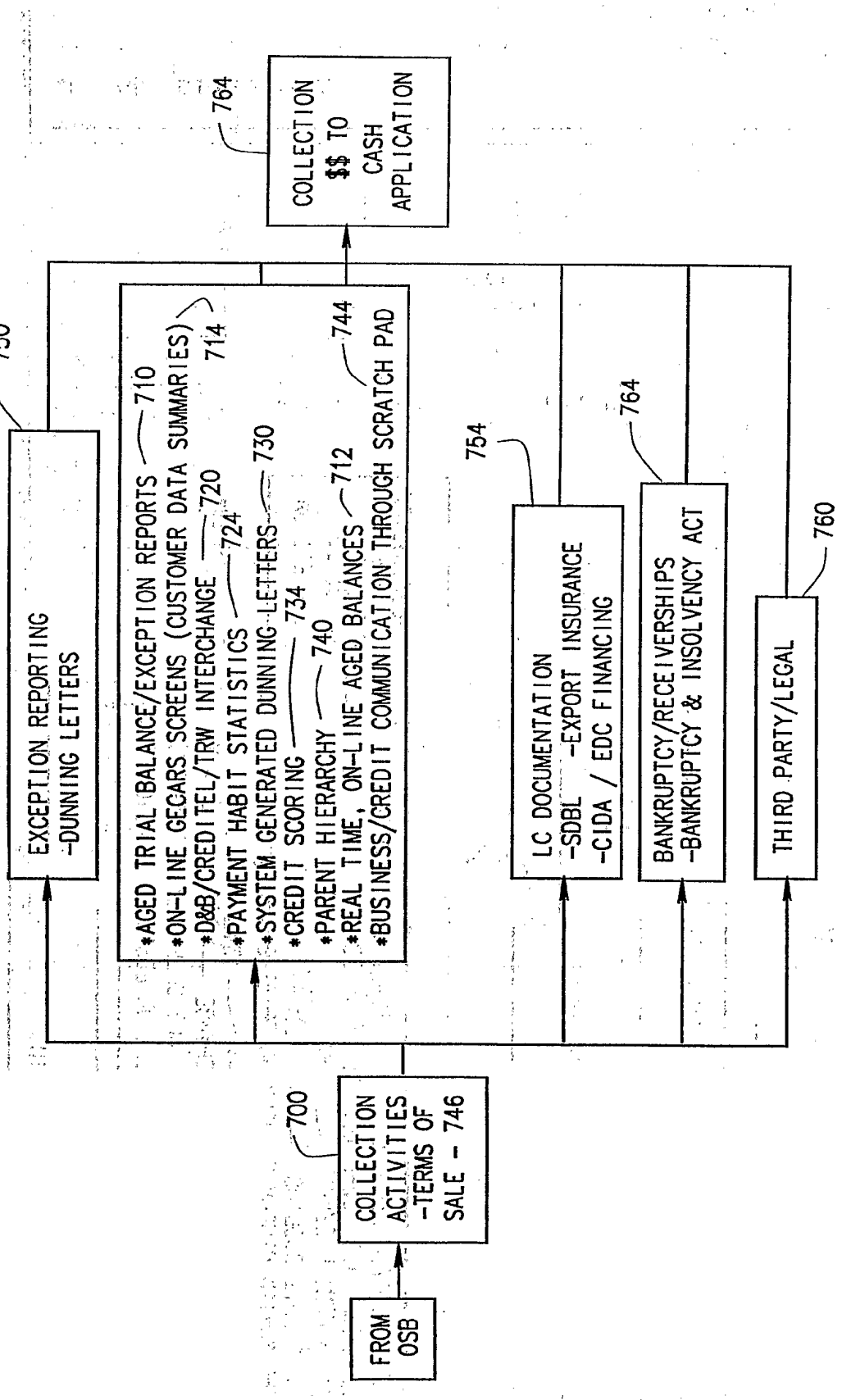

FROM OSB
700
COLLECTION ACTIVITIES -TERMS OF SALE - 746
750
EXCEPTION REPORTING -DUNNING LETTERS
*AGED TRIAL BALANCE/EXCEPTION REPORTS 710
*ON-LINE GECARS SCREENS (CUSTOMER DATA SUMMARIES) 714
*D&B/CREDITEL/TRW INTERCHANGE 720
*PAYMENT HABIT STATISTICS 724
*SYSTEM GENERATED DUNNING LETTERS 730
*CREDIT SCORING 734
*PARENT HIERARCHY 740
*REAL TIME, ON-LINE AGED BALANCES 712
*BUSINESS/CREDIT COMMUNICATION THROUGH SCRATCH PAD 744
764
COLLECTION $$ TO CASH APPLICATION
754
LC DOCUMENTATION -SDBL -EXPORT INSURANCE -CIDA / EDC FINANCING
764
BANKRUPTCY/RECEIVERSHIPS -BANKRUPTCY & INSOLVENCY ACT
760
THIRD PARTY/LEGAL

FIG. 16

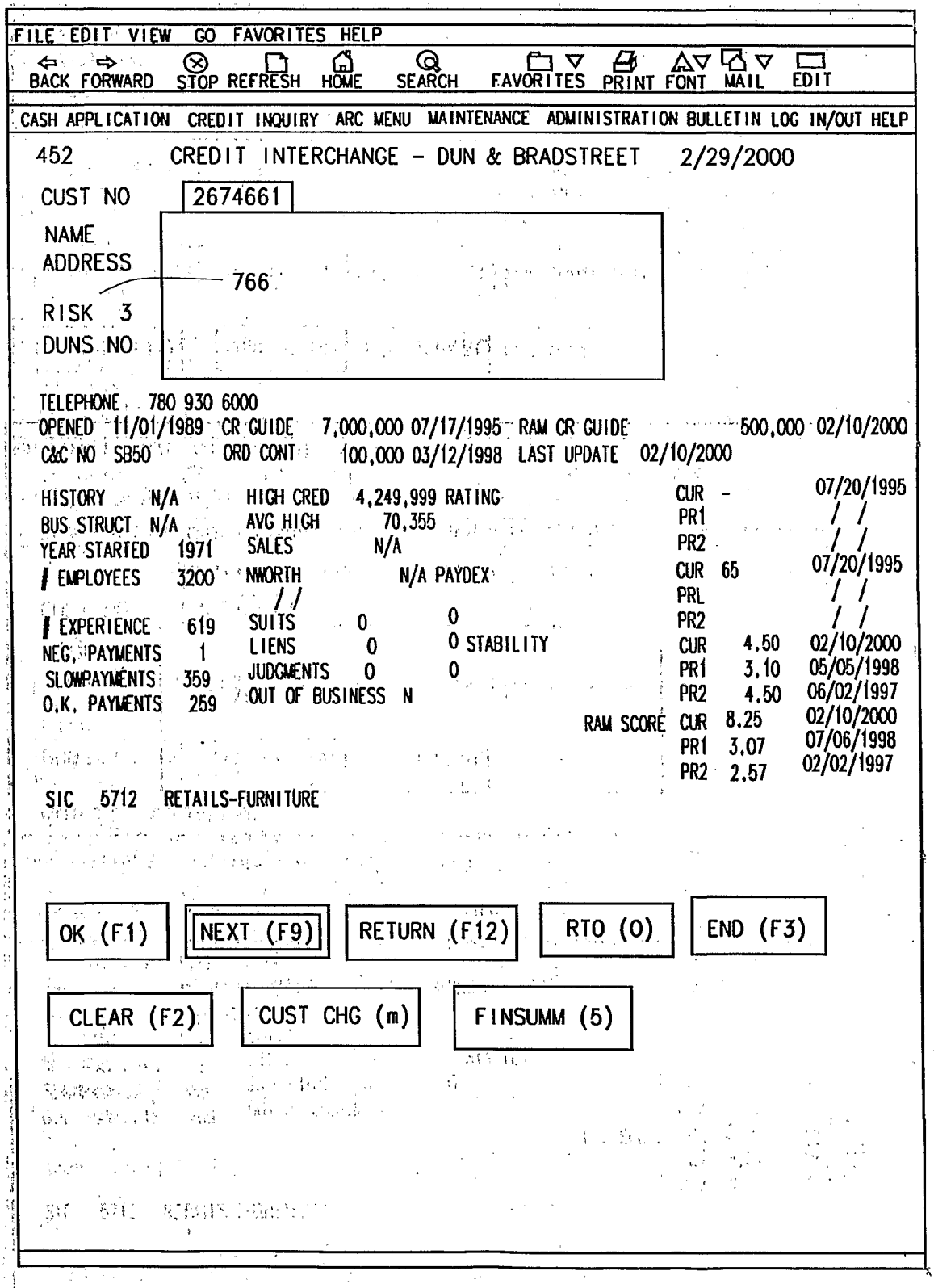

FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL EDIT
CASH APPLICATION CREDIT INQUIRY ARC MENU MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
452 CREDIT INTERCHANGE - DUN & BRADSTREET 2/29/2000
CUST NO 2674661
NAME
ADDRESS
766
RISK 3
DUNS NO
TELEPHONE 780 930 6000
OPENED 11/01/1989 CR GUIDE 7,000,000 07/17/1995 RAM CR GUIDE 500,000 02/10/2000
C&C NO SB50 ORD CONT 100,000 03/12/1998 LAST UPDATE 02/10/2000
HISTORY N/A
BUS STRUCT N/A
YEAR STARTED 1971
EMPLOYEES 3200
EXPERIENCE 619
NEG. PAYMENTS 1
SLOWPAYMENTS 359
O.K. PAYMENTS 259
HIGH CRED 4,249,999 RATING
AVG HIGH 70,355
SALES N/A
NWORTH N/A PAYDEX
SUITS 0 0
LIENS 0 0 STABILITY
JUDGMENTS 0 0
OUT OF BUSINESS N
CUR - 07/20/1995
PR1 / /
PR2 / /
CUR 65 07/20/1995
PRL / /
PR2 / /
CUR 4.50 02/10/2000
PR1 3.10 05/05/1998
PR2 4.50 06/02/1997
RAM SCORE CUR 8.25 02/10/2000
PR1 3.07 07/06/1998
PR2 2.57 02/02/1997
SIC 5712 RETAILS-FURNITURE
OK (F1)
NEXT (F9)
RETURN (F12)
RTO (O)
END (F3)
CLEAR (F2)
CUST CHG (m)
FINSUMM (5)

FIG. 17

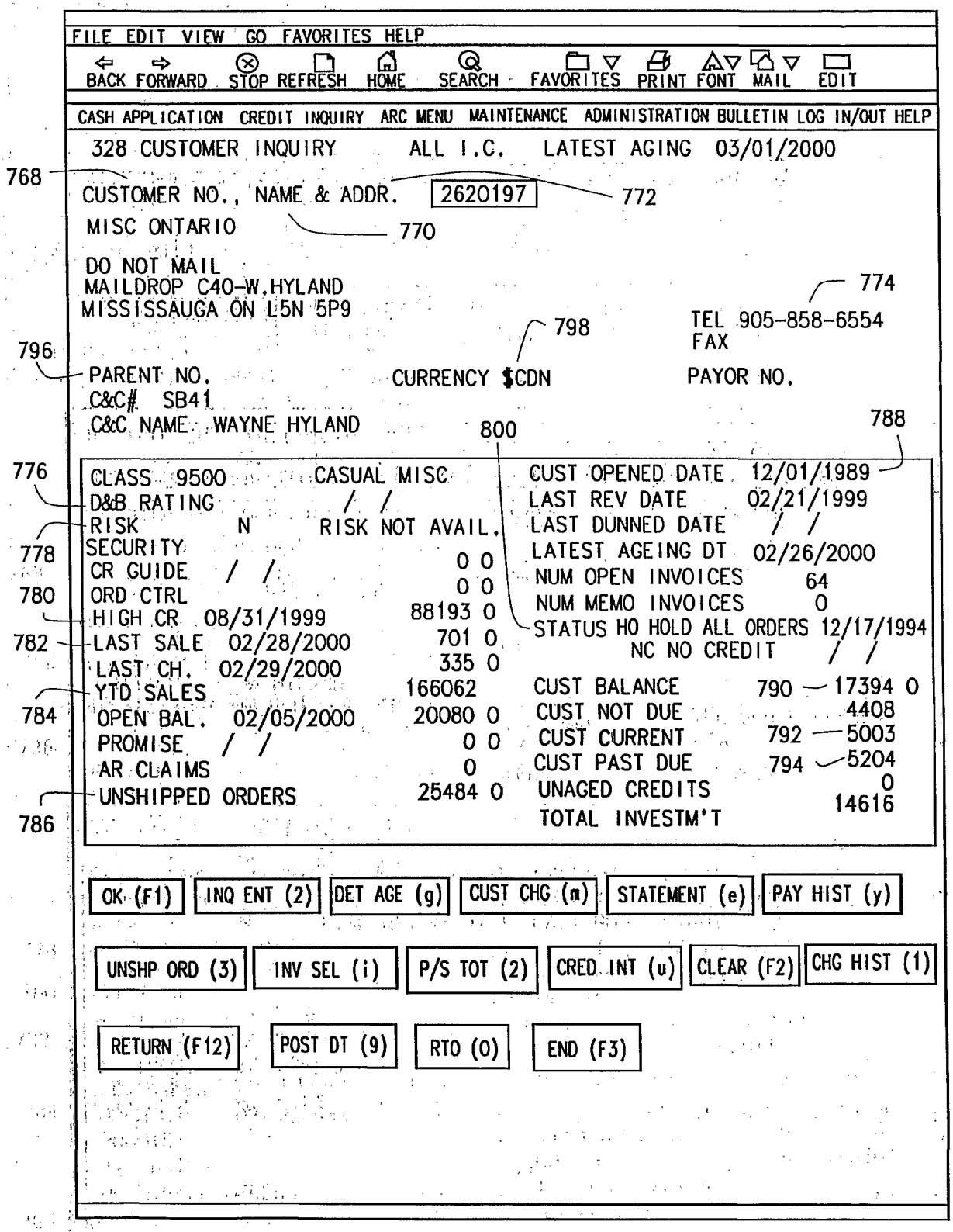

FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL EDIT
CASH APPLICATION CREDIT INQUIRY ARC MENU MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
328 CUSTOMER INQUIRY ALL I.C. LATEST AGING 03/01/2000
768
CUSTOMER NO., NAME & ADDR. 2620197
772
MISC ONTARIO
770
DO NOT MAIL
MAILDROP C40-W.HYLAND
MISSISSAUGA ON L5N 5P9
774
TEL 905-858-6554
FAX
798
796
PARENT NO.
CURRENCY $CDN
PAYOR NO.
C&C# SB41
C&C NAME WAYNE HYLAND
800
788
776
CLASS 9500 CASUAL MISC
D&B RATING / /
RISK N RISK NOT AVAIL.
778
SECURITY
CR GUIDE / /
780
ORD CTRL
HIGH CR 08/31/1999
782
LAST SALE 02/28/2000
LAST CH. 02/29/2000
784
YTD SALES
OPEN BAL. 02/05/2000
PROMISE / /
AR CLAIMS
786
UNSHIPPED ORDERS
0 0
0 0
88193 0
701 0
335 0
166062
20080 0
0 0
0
25484 0
CUST OPENED DATE 12/01/1989
LAST REV DATE 02/21/1999
LAST DUNNED DATE / /
LATEST AGEING DT 02/26/2000
NUM OPEN INVOICES 64
NUM MEMO INVOICES 0
STATUS HO HOLD ALL ORDERS 12/17/1994
NC NO CREDIT / /
CUST BALANCE 790 17394 0
CUST NOT DUE 4408
CUST CURRENT 792 5003
CUST PAST DUE 794 5204
UNAGED CREDITS 0
TOTAL INVESTM'T 14616
OK (F1)
INQ ENT (2)
DET AGE (g)
CUST CHG (m)
STATEMENT (e)
PAY HIST (y)
UNSHP ORD (3)
INV SEL (i)
P/S TOT (2)
CRED INT (u)
CLEAR (F2)
CHG HIST (1)
RETURN (F12)
POST DT (9)
RTO (0)
END (F3)

FIG. 18

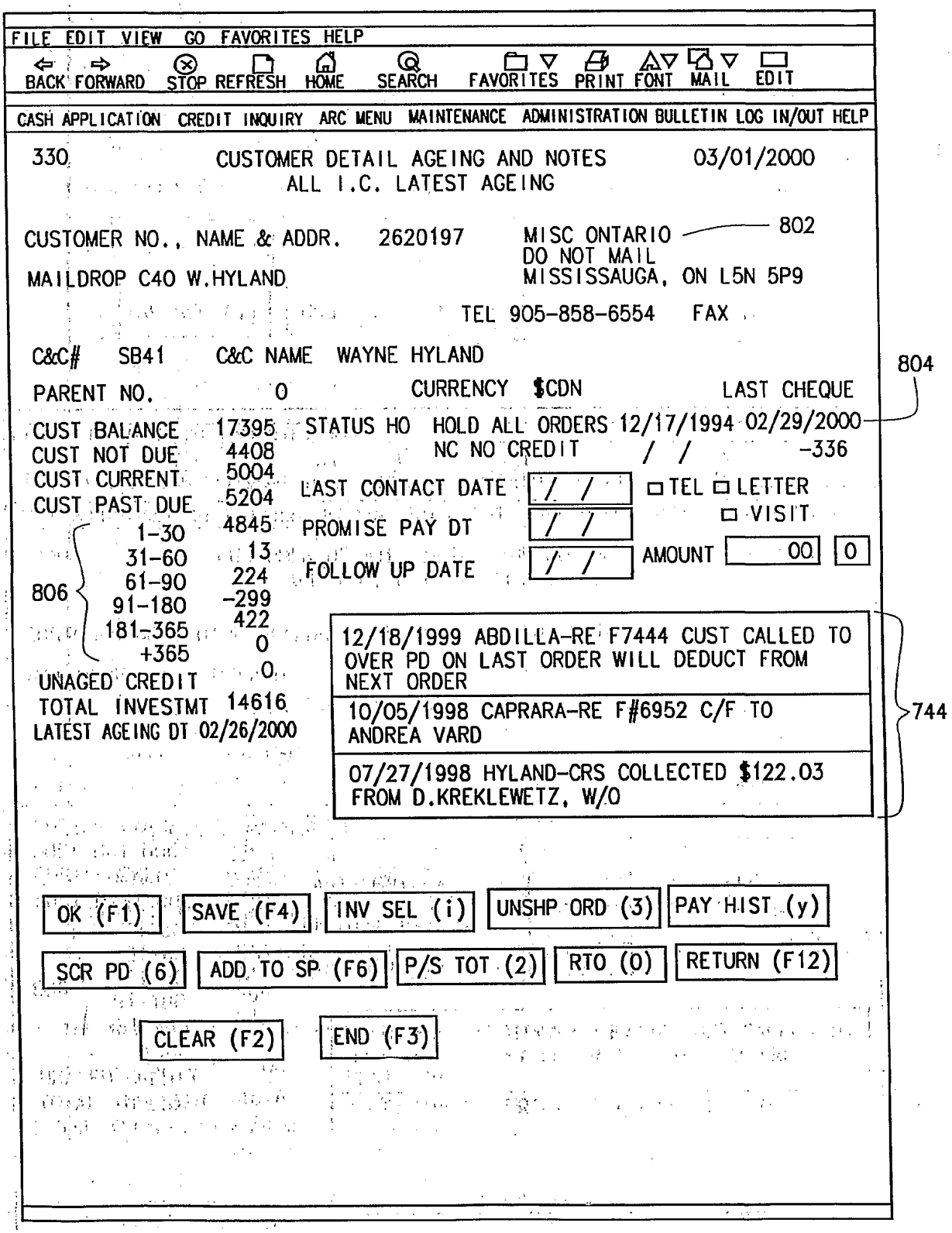

FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL EDIT
CASH APPLICATION CREDIT INQUIRY ARC MENU MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
330
CUSTOMER DETAIL AGEING AND NOTES
ALL I.C. LATEST AGEING
03/01/2000
CUSTOMER NO., NAME & ADDR. 2620197
MISC ONTARIO
DO NOT MAIL
MISSISSAUGA, ON L5N 5P9
802
MAILDROP C40 W.HYLAND
TEL 905-858-6554 FAX
C&C# SB41 C&C NAME WAYNE HYLAND
PARENT NO. 0 CURRENCY $CDN LAST CHEQUE
804
CUST BALANCE 17395 STATUS HO HOLD ALL ORDERS 12/17/1994 02/29/2000
CUST NOT DUE 4408 NC NO CREDIT / / -336
CUST CURRENT 5004
CUST PAST DUE 5204
LAST CONTACT DATE / / TEL LETTER
VISIT
1-30 4845
31-60 13
806 61-90 224
91-180 -299
181-365 422
+365 0
PROMISE PAY DT / /
FOLLOW UP DATE / /
AMOUNT 00 0
UNAGED CREDIT 0
TOTAL INVESTMT 14616
LATEST AGEING DT 02/26/2000
12/18/1999 ABDILLA-RE F7444 CUST CALLED TO OVER PD ON LAST ORDER WILL DEDUCT FROM NEXT ORDER
10/05/1998 CAPRARA-RE F#6952 C/F TO ANDREA VARD
07/27/1998 HYLAND-CRS COLLECTED $122.03 FROM D.KREKLEWETZ, W/O
744
OK (F1)
SAVE (F4)
INV SEL (i)
UNSHP ORD (3)
PAY HIST (y)
SCR PD (6)
ADD TO SP (F6)
P/S TOT (2)
RTO (0)
RETURN (F12)
CLEAR (F2)
END (F3)

FIG. 19

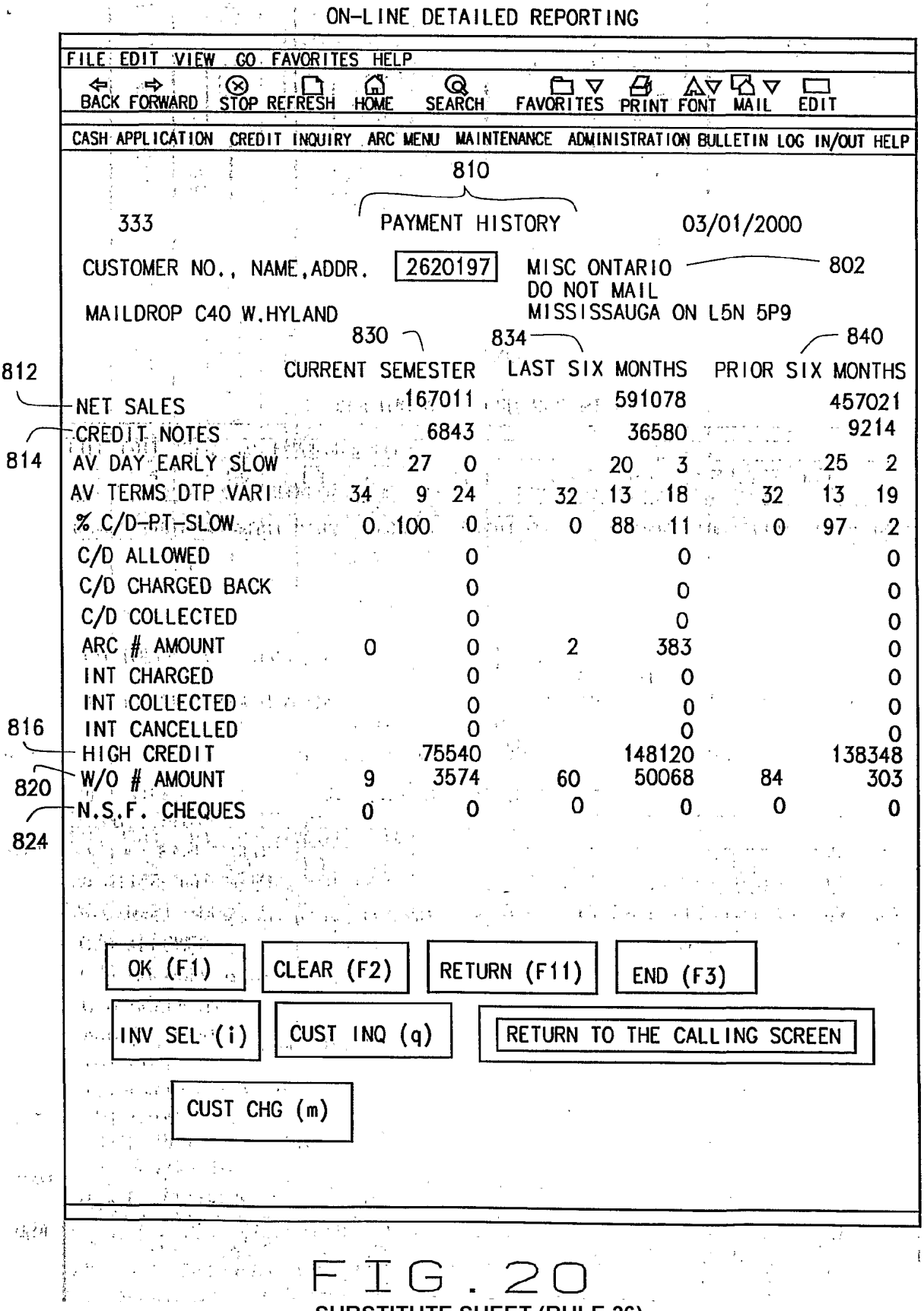

ON-LINE DETAILED REPORTING
FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL EDIT
CASH APPLICATION CREDIT INQUIRY ARC MENU MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
810
333
PAYMENT HISTORY
03/01/2000
CUSTOMER NO., NAME,ADDR.
2620197
MISC ONTARIO
802
DO NOT MAIL
MAILDROP C40 W.HYLAND
MISSISSAUGA ON L5N 5P9
830
834
840
812
CURRENT SEMESTER
LAST SIX MONTHS
PRIOR SIX MONTHS
NET SALES 167011 591078 457021
CREDIT NOTES 6843 36580 9214
814
AV DAY EARLY SLOW 27 0 20 3 25 2
AV TERMS DTP VARI 34 9 24 32 13 18 32 13 19
% C/D-PT-SLOW 0 100 0 0 88 11 0 97 2
C/D ALLOWED 0 0 0
C/D CHARGED BACK 0 0 0
C/D COLLECTED 0 0 0
ARC # AMOUNT 0 0 2 383 0
INT CHARGED 0 0 0
INT COLLECTED 0 0 0
816
INT CANCELLED 0 0 0
HIGH CREDIT 75540 148120 138348
820
W/O # AMOUNT 9 3574 60 50068 84 303
N.S.F. CHEQUES 0 0 0 0 0 0
824
OK (F1)
CLEAR (F2)
RETURN (F11)
END (F3)
INV SEL (i)
CUST INQ (q)
RETURN TO THE CALLING SCREEN
CUST CHG (m)

FIG. 20

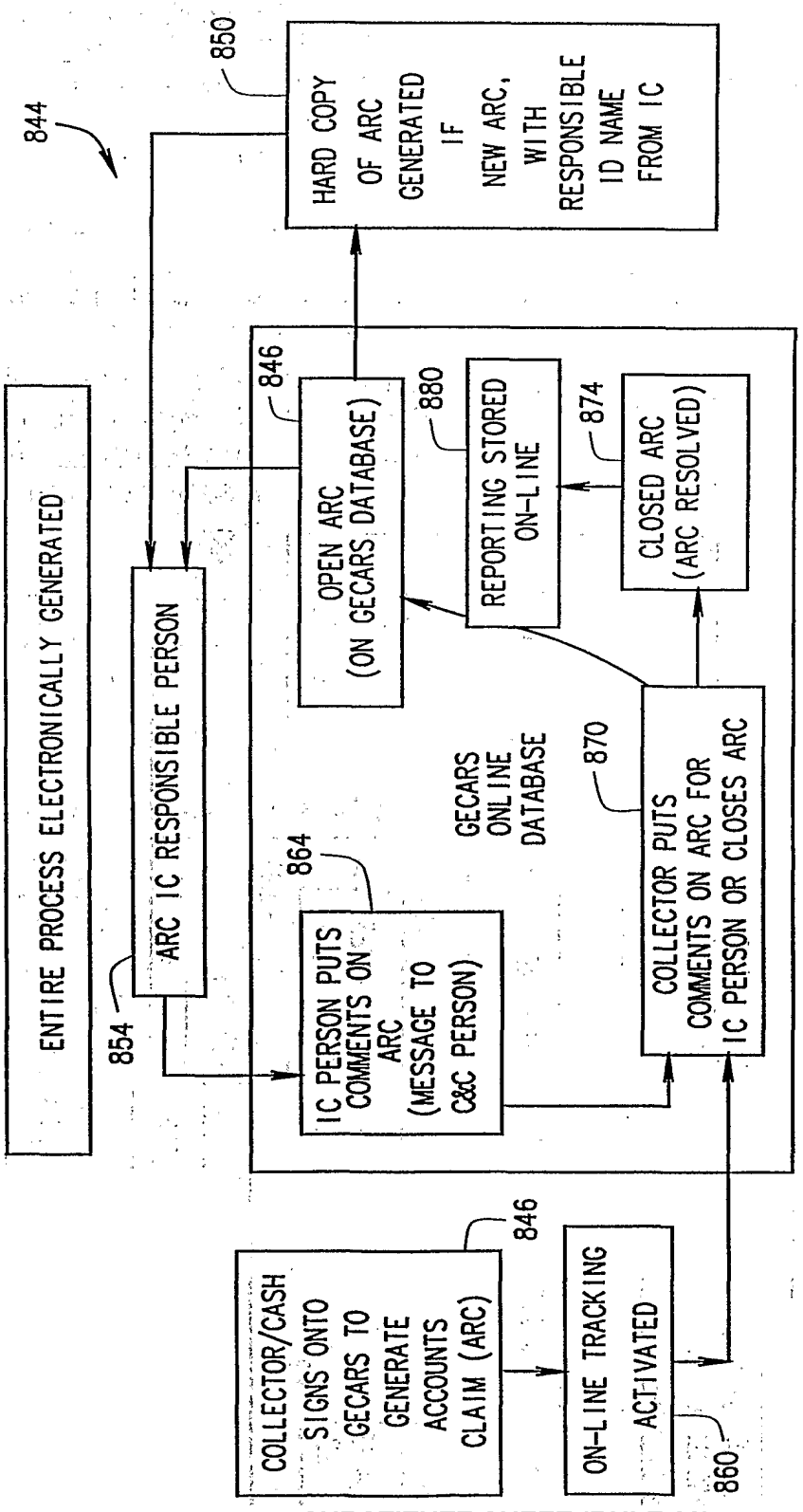

844
850
HARD COPY OF ARC GENERATED IF NEW ARC, WITH RESPONSIBLE ID NAME FROM IC
ENTIRE PROCESS ELECTRONICALLY GENERATED
846
OPEN ARC (ON GECARS DATABASE)
880
REPORTING STORED ON-LINE
874
CLOSED ARC (ARC RESOLVED)
ARC IC RESPONSIBLE PERSON
854
GECARS ONLINE DATABASE
870
864
IC PERSON PUTS COMMENTS ON ARC (MESSAGE TO C&C PERSON)
COLLECTOR PUTS COMMENTS ON ARC FOR IC PERSON OR CLOSES ARC
846
COLLECTOR/CASH SIGNS ONTO GECARS TO GENERATE ACCOUNTS CLAIM (ARC)
ON-LINE TRACKING ACTIVATED
860

FIG. 21

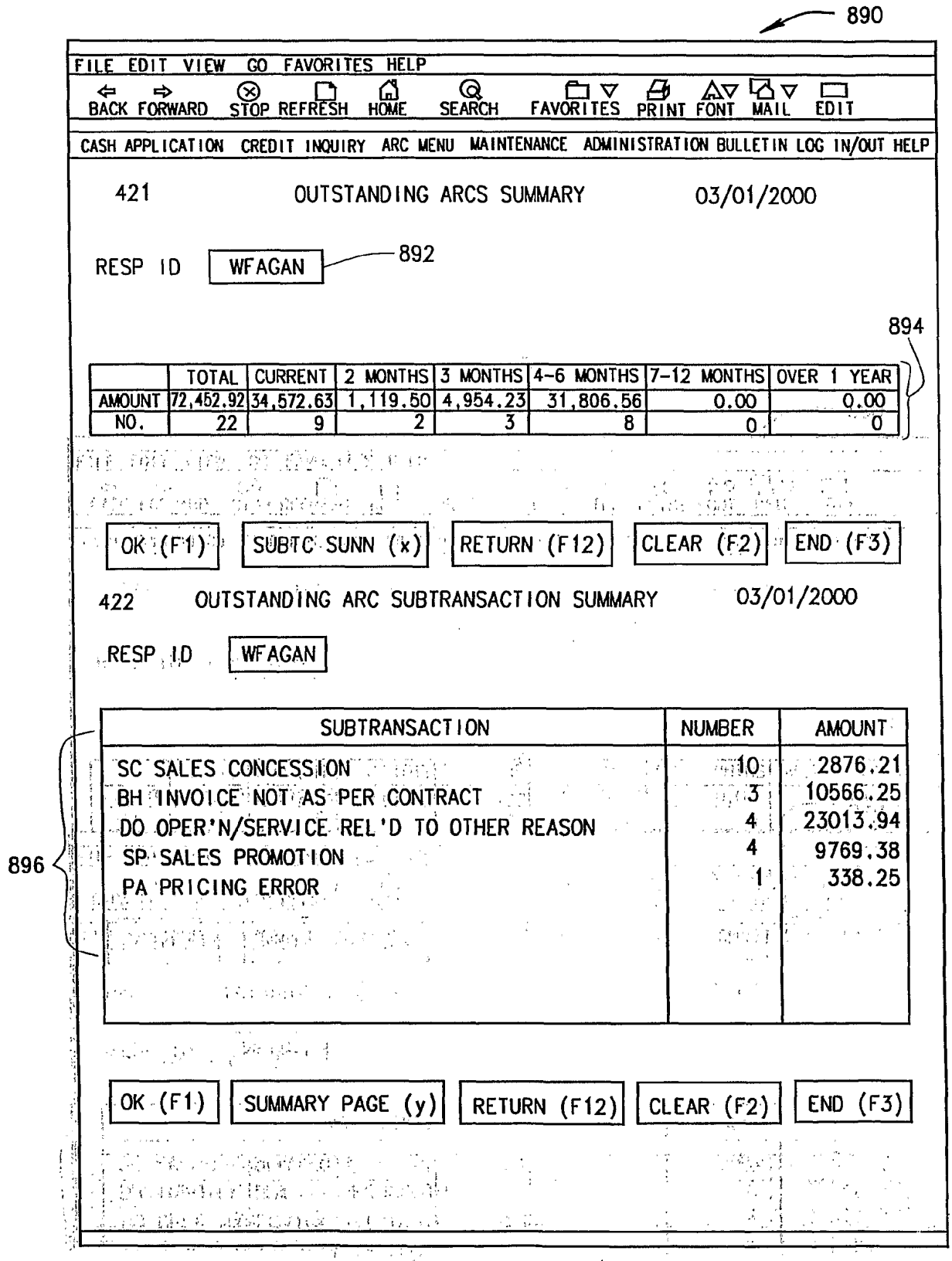

890
FILE EDIT VIEW GO FAVORITES HELP
BACK FORWARD STOP REFRESH HOME SEARCH FAVORITES PRINT FONT MAIL EDIT
CASH APPLICATION CREDIT INQUIRY ARC MENU MAINTENANCE ADMINISTRATION BULLETIN LOG IN/OUT HELP
421 OUTSTANDING ARCS SUMMARY 03/01/2000
RESP ID WFAGAN
892
894
TOTAL CURRENT 2 MONTHS 3 MONTHS 4-6 MONTHS 7-12 MONTHS OVER 1 YEAR
AMOUNT 72,452.92 34,572.63 1,119.50 4,954.23 31,806.56 0.00 0.00
NO. 22 9 2 3 8 0 0
OK (F1) SUBTC SUNN (x) RETURN (F12) CLEAR (F2) END (F3)
422 OUTSTANDING ARC SUBTRANSACTION SUMMARY 03/01/2000
RESP ID WFAGAN
SUBTRANSACTION NUMBER AMOUNT
SC SALES CONCESSION 10 2876.21
BH INVOICE NOT AS PER CONTRACT 3 10566.25
DO OPER'N/SERVICE REL'D TO OTHER REASON 4 23013.94
SP SALES PROMOTION 4 9769.38
PA PRICING ERROR 1 338.25
896
OK (F1) SUMMARY PAGE (y) RETURN (F12) CLEAR (F2) END (F3)

FIG. 22

PATENT COOPERATION TREATY

PCT

DECLARATION OF NON-ESTABLISHMENT OF INTERNATIONAL SEARCH REPORT

(PCT Article 17(2)(a), Rules 13ter.1(c) and Rule 39)

Applicant's or agent's file reference	IMPORTANT DECLARATION	Date of mailing *(day/month/year)*
85CE00105		03/10/2001
International application No.	International filing date *(day/month/year)*	(Earliest) Priority date *(day/month/year)*
PCT/IB 01/00846	30/04/2001	02/05/2000
International Patent Classification (IPC) or both national classification and IPC	g06f17/60	
Applicant		
GENERAL ELECTRIC CAPITAL EQUIPMENT FINANCE, INC.		

This International Searching Authority hereby declares, according to Article 17(2)(a), that **no international search report will be established** on the international application for the reasons indicated below

1. [X] The subject matter of the international application relates to:
 - a. [] scientific theories.
 - b. [] mathematical theories
 - c. [] plant varieties.
 - d. [] animal varieties.
 - e. [] essentially biological processes for the production of plants and animals, other than microbiological processes and the products of such processes.
 - f. [X] schemes, rules or methods of doing business.
 - g. [] *schemes, rules or methods of performing purely mental acts.*
 - h. [] schemes, rules or methods of playing games.
 - i. [] methods for treatment of the human body by surgery or therapy.
 - j. [] methods for treatment of the animal body by surgery or therapy.
 - k. [] diagnostic methods practised on the human or animal body.
 - l. [] mere presentations of information.
 - m. [] computer programs for which this International Searching Authority is not equipped to search prior art.

2. [] The failure of the following parts of the international application to comply with prescribed requirements prevents a meaningful search from being carried out:
 - [] the description
 - [] the claims
 - [] the drawings

3. [] The failure of the nucleotide and/or amino acid sequence listing to comply with the standard provided for in Annex C of the Administrative Instructions prevents a meaningful search from being carried out:
 - [] the written form has not been furnished or does not comply with the standard.
 - [] the computer readable form has not been furnished or does not comply with the standard.

4. Further comments:

Name and mailing address of the International Searching Authority	Authorized officer
European Patent Office, P.B. 5818 Patentlaan 2 NL-2280 HV Rijswijk Tel. (+31-70) 340-2040, Tx. 31 651 epo nl, Fax: (+31-70) 340-3016	Lucia Van Pinxteren

Form PCT/ISA/203 (July 1998)

FURTHER INFORMATION CONTINUED FROM PCT/ISA/ 203

The subject-matter claimed in claims 1-12 falls under the provisions of Article 17(2)(a)(i) and Rule 39.1(iii) PCT, such subject-matter relating to a method of doing business.

Claims 13-24 relate to commonplace technological features for performing the business method of the method claims. Although these claims do not literally belong to the method category, they essentially claim protection for the same commercial effect as the method claims. With reference to the Guidelines, B-VIII, points 1-6, the International Searching Authority considers that searching such commercial features would serve no useful purpose. This applies to the remaining commonplace technological features of these claims as well.

The applicant's attention is drawn to the fact that claims relating to inventions in respect of which no international search report has been established need not be the subject of an international preliminary examination (Rule 66.1(e) PCT). The applicant is advised that the EPO policy when acting as an International Preliminary Examining Authority is normally not to carry out a preliminary examination on matter which has not been searched. This is the case irrespective of whether or not the claims are amended following receipt of the search report or during any Chapter II procedure. If the application proceeds into the regional phase before the EPO, the applicant is reminded that a search may be carried out during examination before the EPO (see EPO Guideline C-VI, 8.5), should the problems which led to the Article 17(2) declaration be overcome.